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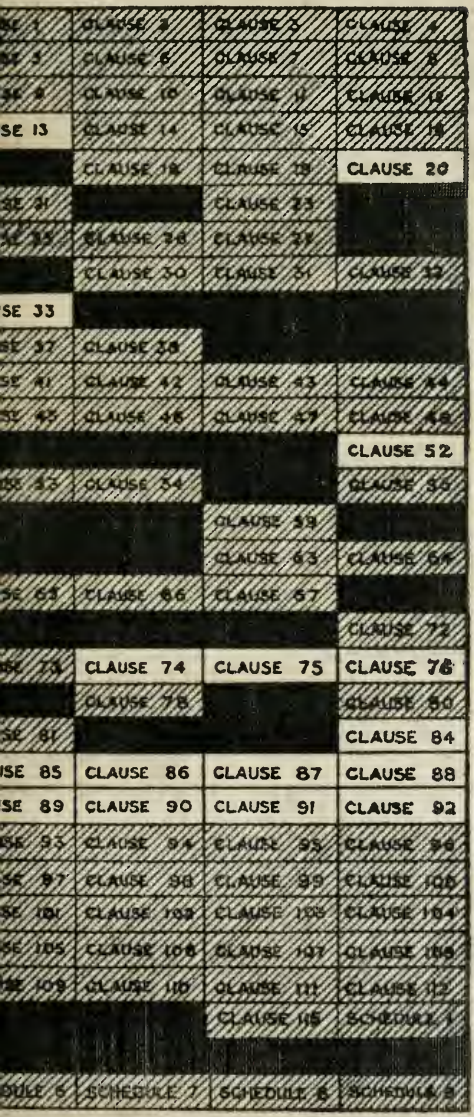

THE NATIONAL INSURANCE ACT, 1911.

SUMMARY

BY

L. WORTHINGTON EVANS, M.P.

With

EXPLANATORY CHAPTERS

and

FULL INDEX.

PRICE SIXPENCE.

Published by

THE NATIONAL CONSERVATIVE UNION,

St. Stephen's House, Westminster.

FEBRUARY, 1912.

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PREFACE TO THE FIFTH EDITION.

THE fact that four impressions of 200,000 copies are nearly exhausted is evidence of the great interest taken in the National Insurance Act, and shows that this publication has met a want.

Its reception by the Press has been very gratifying. Extracts from a few of the Press notices will be found reprinted on pages 153-156.

This edition printed on better paper and bound in cloth is issued in response to inquiries from those who require to make constant reference to the Summary.

L. W. E.

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PREFACE.

The National Insurance Act is a complicated measure containing 115 Clauses and 9 Schedules covering 141 printed pages.

Thirty-one of these Clauses and 4 Schedules were never discussed, and others were only partially discussed in Committee in the Ho[illegible] Commons, while on the report stage 93 Clauses were passed [illegible] closure without a single word of debate.

The Act, moreover, is incomplete without the regulations [illegible] are to be made by the Insurance Commissioners—every impo[illegible] Clause calls for supplementary regulations likely to be as long and as complicated as the Act itself.

It is hardly to be expected that every one of the millions directly affected by the Act will ever master its provisions, but those who are expected to administer it, whether as members of the thousands of Insurance Committees and District Committees which will be created, or as officers of the tens of thousands of Approved Societies and branches, will require to know the main provisions of the Act.

This summary has been prepared for those who wish to have some knowledge of the contents and meaning rather than the actual legal phraseology of the Act.

In the various chapters written by those who took an active part in the Debates in the House of Commons will be found more detailed information regarding the questions there dealt with.

The attitude of the Unionist Party towards the Bill in the House of Commons was admirably shown in the speech of the Right. Hon. A. Bonar Law, M.P., on the third reading, and the masterly speech of Lord Lansdowne in the House of Lords shows how impossible it was to amend the Bill in that House. Extracts from these speeches are reproduced in the first chapter.

A chapter giving the Parliamentary History of the Act written by Mr. J. Seymour Lloyd, of the Middle Temple, Barrister-at-Law, the draftsman of the Unionist Amendment Committee, is an interesting record of how so important a measure was treated in a Parliament we boastfully proclaim free and representative.

No one genuinely interested in the subject can help regretting that the work in Parliament was scamped for want of time, and that difficulties and hardships which might have been faced and overcome have been left undealt with—some to remain permanent blemishes on the National Insurance scheme, and some to await removal by future amendments.

L. WORTHINGTON EVANS.

January, 1912.

THE

TIONAL INSURANCE ACT.

An Act to Provide for Insurance against Loss of Health and for the Prevention and Cure of Sickness and Insurance against Unemployment and for purposes incidental thereto.

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SCHEDULES.

PART I.

NATIONAL HEALTH INSURANCE.

CLAUSE 1.—Insured Persons.

(1) All persons aged 16 and upwards who are employed within the meaning of the Act are compulsorily insured, and those who are qualified may be insured voluntarily.

(2) Persons employed, hereafter referred to as employed contributors, include men and women, whether British subjects or not, engaged in any of the employments specified in the first part of the First Schedule not being employments specified in Part II. of that

schedule. But the Insurance Commissioners may by special order also include persons engaged in the employments specified in the second part of the First Schedule (page 71).

(3) Persons may become voluntary insurers who

(a) Are engaged in some regular occupation and wholly or mainly dependent for their livelihood on their earnings; or

(b) Have been insured compulsorily for five years or upwards.

Provided that no person whose total income exceeds £160 a year shall be a voluntary contributor unless he has been insured for five years and upwards.

Note.—This permits a person who has been insured until his salary rises above £160 to continue as a voluntary contributor if he has been insured for five years. If compulsorily insured for four years or less he loses the benefit of his contributions.

(4) No one can become insured for the first time at the age of 65 or upwards, except as provided in Clause 49. (See page 42.)

CLAUSE 2.—Exemptions.

(1) An employed person shall be entitled to a certificate of exemption if he proves that he is either

(a) In receipt of a pension or income of £26 per annum or upwards not dependent upon his personal exertions; or

(b) Is ordinarily and mainly dependent upon some other person.

Note.—Some Navy and Army Pensioners and people with small private incomes and children living with their parents though employed may claim exemption, but it should be remembered that by Clause 4 (4) *the employers of these people will be liable to contribute, and the contributions are to be dealt with "as may be prescribed" by the Insurance Commissioners. It may be better not to apply for exemption if the employment is regular, as the State contribution would otherwise be reduced or perhaps lost altogether. Employment would not be more easily found, as the employer has to pay his contribution in any case.*

(2) Certificates of exemption are to be granted by the Insurance Commissioners either before or after the commencement of the Act. Regulations may delegate the power of exemption to approved Societies and local Insurance Committees.

CLAUSE 3.—Contributions.

Funds for providing the benefits and administration of benefits are to be derived as to seven-ninths (women three-fourths) from contributions by the insured and their employers and as to two-ninths (women one-fourth) by the State, except as otherwise provided by the Act.

Note.—In case of those over 21 *earning less than* 2*s. a day and not receiving board and lodging,* 1*d. of the worker's contribution is paid by the State.* (*See Schedule II., Part I., page* 72.)

CLAUSE 4.—Employed Contributors' Rates.

(1) Contributions shall be at the rates specified in the Second Schedule, Part I. Contributions are payable weekly or at other prescribed intervals.

(2) The employer is to pay his own and the contributor's contributions, and to deduct the latter from wages or otherwise recover in accordance with the Rules in the Third Schedule.

(3) No contributions after 70.

Note.—Benefits also cease at 70 *except medical benefit and sanatorium benefit.*

(4) The employer is to pay his contribution, notwithstanding

(a) That the employed is not insured being over 65; or

(b) That he holds a certificate of exemption.

The contributions so paid are to be dealt with by Regulations of the Insurance Commissioners which may provide for applying the contributions for the benefit of such persons in the event of their becoming employed contributors.

Note.—Contributions paid for an uninsured man over 65 *are dealt with in Clause* 49. *(See also Clause* 2 *for those who may obtain certificates of exemption.)*

CLAUSE 5.—Voluntary Rates.

(1) Voluntary insurers are to pay at a rate appropriate to age under Tables to be prepared by the Insurance Commissioners.

(a) If under 45 and joining within six months from the commencement of the Act the voluntary rate is to be the same as the compulsory rate—*i.e.*, for men 7d. a week, and for women 6d. a week. If over 45 the rate is to be a rate for age settled by the Insurance Commissioners as sufficient to cover for men seven-ninths and for women three-fourths of the benefits.

(b) A voluntary insurer who has contributed compulsorily for five years may continue at the employed rate.

(2) Contributions shall cease at 70.

Note.—Benefits also cease at 70 *except medical benefit and sanatorium benefit.*

CLAUSE 6.—Change from Voluntary Rate to Employed Rate and vice versa.

(1) A voluntary contributor to an approved Society is to continue at the voluntary rate, notwithstanding he becomes employed, unless he gives the prescribed notice to transfer to the employed rate.

(2) If he gives notice he is to continue at the employed rate, but benefits are to be reduced in accordance with Tables to be prepared by the Insurance Commissioners.

(3) If he does not give notice his employer's contributions are to be at the employed rate, and are to be credited on account of the amount due from the contributor as a voluntary contributor, and the latter may pay the balance or be treated as in arrear.

(4) An employed contributor ceasing to be employed within five years and becoming a voluntary contributor is deemed in arrear to the

amount of the difference between the scales of contribution and the difference in his reserve value is cancelled.

CLAUSE 7.—Power to make Regulations for Payment of Contributions.

The Insurance Commissioners may make regulations providing for the payment and collection of contributions, particularly for

(a) Payment of contributions by stamps on books or cards.

(b) Entry in books or cards of the contributions paid and benefits distributed.

(c) The issue, sale, custody, production, and delivery up of books and cards and replacement of lost books and cards.

CLAUSE 8.—Benefits.

(1) The benefits are:—

(a) **Medical benefit**, i.e., treatment and medicine and such medical and surgical appliances as may be prescribed by regulations.

Note.—The addition of medical and surgical appliances was made in consequence of an amendment moved by Lord Henry Bentinck on the 11th July.

(b) **Sanatorium benefit**, i.e., treatment in sanatoria or other institutions or otherwise for tuberculosis or such other diseases as the Local Government Board and the Treasury may appoint.

(c) **Sickness benefit**, i.e., periodical payments whilst rendered incapable of work by some specific disease or by bodily or mental disablement of which notice has been given, commencing from the fourth day after incapacity and continuing for not more than 26 weeks.

Note.—An amendment to make sick pay payable from the first day of illness instead of the fourth day was refused, and the Government Whips were put on to tell against it. The amendment was moved by Mr. E. A. Goulding on July 17th. Division No. 272. For, 152; against, 192; Government majority, 40. Similar amendments were put down by Mr. L. Worthington Evans, Mr. G. Locker Lampson, Mr. C. S. Goldman, Captain E. F. Morrison Bell, Mr. W. C. Bridgeman, Sir C. L. Hill, Sir A. Griffith-Boscawen, Mr. F. Goldsmith, Mr. B. D. Hall, and Mr. R. Hunt. The Government gave an undertaking to recommit the Bill and to allow the House of Commons to further consider the matter if the money saved, i.e., £560,000, *was not used for certain specified purposes. It was not so used. The Government did not fulfil their undertaking, but under closure and without further discussion by the House of Commons extended sickness benefit from* 13 *to* 26 *weeks. The undertaking of Mr. Lloyd George will be found in the Official Report, 17th July,* 1911, *column* 740. *A complete statement of the facts will be found in the speech of Mr. L. Worthington Evans on the third reading, Official Report, 6th December, columns* 1442-1445.

(d) **Disablement benefit** continues after determination of sickness benefit so long as so rendered incapable of work by the disease or disablement.

Note.—In the original Bill disablement benefit was payable "whilst rendered unfit to provide their own maintenance by some specific disease or by bodily or mental disablement." These words would have permitted persons to have received disablement benefit while capable of doing some light work not sufficient to provide for full maintenance. The words of the section were altered to "incapable of work" under closure on the Report stage of the Bill without discussion in the House of Commons.

(e) **Maternity benefit,** i.e., the sum of 30s. payable in case of the confinement of the wife, or, if a posthumous child, of the widow of an insured man or of the woman, whether married or single, if she is insured.

(f) such additional benefits, if any, as are mentioned in Part II. of the Fourth Schedule as an insured person may be entitled to.

(2) The rates of sickness and disablement benefits are specified in Part I. of the Fourth Schedule. (See page 75.)

(3) Sickness and disablement benefits shall cease at the age of 70.

Note.—An amendment was moved by Mr. J. F. Hope on July 17 *to continue sickness and disablement benefit after* 70 *to those not eligible for Old Age Pensions. This was refused.*

(4) No benefits are payable while an insured person is resident either temporarily or permanently outside the United Kingdom, but maternity benefit is payable if his wife is in the United Kingdom at the time of confinement. Provided that if a person is temporarily in the Isle of Man or the Channel Islands he may receive benefits except medical benefit, and if abroad elsewhere than in the Isle of Man or Channel Islands his Society or Committee may allow him to receive sickness and disablement benefits.

(5) Periods of sickness are deemed to be continuous unless in the meanwhile twelve months have elapsed and at least fifty contributions been paid.

(6) Where a woman is an insured person and her husband is also insured she may receive maternity benefit and also sickness and disablement benefit in respect of her confinement, but otherwise a woman shall not be entitled to sickness or disablement benefit for a period of four weeks after her confinement unless suffering from disease or disablement not connected with her confinement. Medical benefit shall not include the right to medical treatment or attendance in respect of her confinement.

(7) Where a pension or superannuation allowance is payable the right of a member to sickness benefit or disablement benefit may be excluded in whole or in part.

(8) Provides qualifying periods—

(a) no medical benefit during the first six months after commencement of the Act.

(b) no sickness benefit until twenty-six weeks have elapsed and twenty-six contributions have been paid.

Note.—Amendment moved by Mr. L. Worthington Evans on 17th July to reduce the 26 weeks to 13 weeks was refused. Division No. 277. For, 54; Against, 136; Government majority, 82.

(c) No disablement benefit until after 104 weeks have elapsed and 104 contributions have been paid.

Note.—Amendment moved by Captain E. F. Morrison Bell on 17th July to reduce the 104 weeks to 52 weeks was refused. Division No. 278. For, 54; Against, 131. Government majority, 77.

(d) No maternity benefit shall be paid until 26 weeks have elapsed and 26 contributions have been paid by employed contributors, with double that qualification for voluntary contributors.

Note.—In the original Bill there was a provision that no sickness benefit should be paid in respect of any disease which commenced during the waiting period of 26 weeks and no disablement benefit in respect of any disease which commenced during the waiting period of 104 weeks. An amendment moved by Mr. L. Worthington Evans on 17th July to remove this obvious hardship was accepted. Mr. G. Locker Lampson had put down a similar amendment. A further amendment striking out the provision in the original Bill that no sickness or disablement benefit should be payable while an insured person was provided with board and lodging was moved by Mr. W. C. Bridgeman and agreed to. Similar amendments were put down by Mr. Austen Chamberlain, Mr. L. Worthington Evans, and Mr. W. Joynson Hicks. This amendment is a great advantage to domestic servants, who would otherwise not have received these benefits unless they were thrown out of their employers houses.

(9) When the reserve values have been written off the benefits payable may be extended in such manner as Parliament may determine.

Note.—The estimated aggregate initial reserve values by virtue of Clause 55 (see page 45) amount to £66,642,900. This liability is created in order to allow the flat rate, i.e., equal contributions, for persons of all ages to be adopted. The Government Actuaries estimate that it will take an average of 18¼ years to pay off this liability. The liability is repaid by deduction from the contributions of all members of Approved Societies at the rate of 1 5-9ths d. per week for men and 1½d. per week for women. Thus the extended benefits referred to in subsection 9 must not be expected for at least 18¼ years.

CLAUSE 9.—Reduced Rates of Benefits in Certain Cases.

(1) In the case of insured persons under 21 and unmarried the rates shall be reduced as specified in Table B, Part I., of the Fourth Schedule, but if a Member of an Approved Society proves that one

or more of his family are dependent on him no reduction shall be made.

(2) Where the rate of sickness or disablement benefit exceeds two-thirds of the usual rate of wages the Society or Committee, with the consent of the Insurance Commissioners, may reduce the benefit and give an equivalent additional benefit.

Note.—In the original Bill it was compulsory for the Society to reduce the benefit. An amendment was moved by Mr. Worthington Evans on 18th July—Division No. 281. *For,* 151; *against,* 225. *Government majority,* 74—*to strike out this provision as it is very hard on those who are earning low wages. The Government refused the amendment, but subsequently modified the Clause, leaving the reduction to the option of the Society instead of making it compulsory.*

(3) Sickness benefit is to be reduced in accordance with Table C of Part I. of the Fourth Schedule (see page 76) for employed contributors who are of the age of 50 or upwards on joining the insurance within one year after the commencement of the Act and who have paid less than 500 contributions at the date of claiming sickness benefit.

(4) A reduced rate of benefits not less than 5s. a week to be fixed by the Insurance Commissioners is payable in the case of an employed contributor of the age of 17 and upwards who becomes an employed contributor after one year from the commencement of this Act unless he proves that since he attained the age of 17 his time has been spent in school or college, or as an apprentice without wages, or otherwise completing his education, or pays the difference between the voluntary rate and the employed rate, or pays a sufficient capital sum, provided that he may elect to be treated as in arrear for contributions if he could thus obtain sickness benefit at the higher rate.

CLAUSE 10.—Reduced Rates of Benefits where Contributions are in Arrear.

(1) Where a member of an Approved Society is in arrear if the arrears are greater than 13 weekly contributions a year on the average since his entry into insurance, his sickness and invalidity benefits shall be suspended, and where his arrears average 26 weeks a year his medical sanatorium and maternity benefit shall be suspended, and if at the end of a further year he is still suspended, a lapse occurs. Any sums credited to his Society except Reserve value shall be dealt with "as may be prescribed" for the benefit of the Society or any Society to which he may subsequently transfer. If he again becomes employed he is to be treated as a new entrant into insurance, but he may elect to be treated as in arrear from his original entry into insurance.

Note.—The effect of treating him as a new entrant will be to give him if he is over 17 *a reduced rate of benefits of an unknown amount—they are to be fixed by the Insurance Commissioners. See Clause* 9 (4). *The forfeiting of his Reserve value will probably prevent him again becoming a member of an Approved Society. He will probably have to join the Deposit Contributor class.*

(2) Where an employed contributor is in arrear for less than 13 weeks on the average his sickness benefit shall be reduced in accordance with the Table in the Fifth Schedule. See page 77.

Note.—No reduction of benefit occurs if contributions are three weeks in arrear on the average, thus: if a person has been insured for five years and failed to pay 15 *weekly contributions which he ought to have paid, but has not paid owing to unemployment, then that person is three weeks in arrear on the average, and his benefits are not reduced, but if he, having been insured for five years, has failed to pay, say,* 20 *contributions, then he is four contributions in arrear on the average, and in that case, instead of receiving* 10*s. a week sickness benefit, he would receive* 9*s.* 6*d. If he has failed to pay forty weekly contributions then he is eight contributions in arrear on average and his sickness benefit would then be* 7*s.* 6*d. a week instead of* 10*s. He will continue to receive the reduced benefit unless he pays up the arrears under sub-section* 5, *or, having got well again, he continues to pay his contributions regularly, gaining three weeks each year, and so reducing the average arrears. Similarly, if he was entitled only to* 7*s. a week sick benefit, and the same arrears occurred, he would receive* 6*s.* 6*d. in the first instance or* 5*s. in the second instance, but the latter would commence from the fifth day instead of the fourth day of sickness.*

(3) Where a voluntary contributor is in arrear he shall be liable to such proportionate reduction of benefits as may be prescribed.

(4) The following arrears are not to count:—

(a) when in receipt of or qualified for sickness or disablement benefits.

(b) in case of a woman who is insured and entitled to maternity benefit for two weeks before and four weeks after her confinement.

(c) in the case of an employed contributor during the first twelve months after the Act.

With these exceptions contributions are payable in respect of every week from the date of entry into insurance.

(5) Arrears occurring during the current year and the previous year may be paid up to save reduction of benefits, but if the payment is made within a month from becoming incapable to work the arrears are deemed to continue until the expiration of the month.

(6) An Approved Society may excuse payment of any part of the arrears not exceeding the amount which would have been paid by the employer had the member continued his last employment.

Note.—This sub-section is the result of an amendment moved on 19*th July to enable a man to get out of arrear by merely paying his own contributions and not that of his employer also. This amendment was refused by the Government, but they afterwards left it to the option of the Approved Society to excuse the payment of the employer's proportion. If the Society does not excuse the payment the person in arrear will have to pay the* 7*d. a week.*

(7) The average amount of arrears for the purposes of this section shall be calculated as the Insurance Commissioners may prescribe.

CLAUSE 11.—Provision in the Case of Contributors entitled to Compensation or Damages.

(1) Where an insured person has received or is entitled to recover from his employer or other person compensation under the Workmen's Compensation Act, 1906, or any scheme certified thereunder or under the Employers' Liability Act, 1880, or at Common law in respect of any injury or disease, the following provisions apply:—

(a) Sickness and disablement benefits are reduced to the difference, if any, between the weekly sum or the weekly value of any lump sum paid in respect of any injury or disease and the benefits otherwise payable.

Note.—Thus if the value of compensation is 10*s. a week no sickness benefit will be payable, if* 8*s. a week then* 2*s. sickness benefit only will be payable.*

(b) the weekly value of a lump sum is to be determined by the Society or the Committee with power of appeal to the Insurance Commissioners.

(c) Where a compounding agreement is made for less than 10s. a week the employer must send within three days to the Insurance Commissioners or to the Society or Committee concerned notice of such agreement.

(2) Where an insured person appears to be entitled to compensation or damages and unreasonably refuses or neglects to take proceedings to enforce his claim the Society or the Committee concerned may either—

(a) at its own expense take proceedings and hold the compensation as Trustee for the insured person, or

(b) withhold any benefit to which he may be entitled.

If the Society or the Committee fails in the proceedings it is responsible for costs.

(3) The Society or the Committee may make advances to an insured person on account of compensation or damages, and may subsequently deduct the advance from benefits.

CLAUSE 12.—Provision in case of Contributors who are Inmates of Hospital.

(1) No payment for sickness, disablement, or maternity benefits shall be made when the person to whom the benefit is payable is an inmate of any workhouse, hospital, asylum, convalescent home, or infirmary, supported by public funds, charity, or voluntary subscriptions, or of a sanatorium or similar Institution approved under the Act.

(2) During such period the benefits shall be applied—

(a) for the maintenance of dependents as the Society or Committee concerned think fit.

(b) if there are no dependents and the insured, being a member of an Approved Society, is receiving treatment in a sanatorium or similar Institution it shall be paid to the Insurance Committee.

(c) If he is a member of an Approved Society and is in a Hospital, Asylum, Convalescent Home, or Infirmary supported by charity or voluntary subscriptions, and has no dependents, then the whole or part may be paid towards the maintenance of such person in the Hospital, etc., if there is an agreement between the Society or the Committee and the Hospital, etc., for that purpose. Provided that—

(i) If the Society or Committee think fit such sum may be applied for the provision of surgical appliances or otherwise for his benefit.

(ii) If the inmate is a married woman or a widow no part of the sum which represents maternity benefit shall be paid for the maintenance of her dependents, but such sum may be paid to the hospital, etc., as if she had no dependents.

(iii) A woman who, or whose husband, is entitled to maternity benefit, shall not be refused admission to a maternity ward of any workhouse or infirmary on the ground only of the right to such benefit.

CLAUSE 13.—Power to vary Benefits in certain Cases.

(1) An Approved Society may submit to the Insurance Commissioners a scheme for substituting any of the additional benefits for sickness benefit and disablement benefit. The scheme may provide for abolishing or reducing the rate or postponing the commencement of sickness benefit.

(2) The scheme shall apply either to all members or to any specified class of members or to any members of the Society who may elect to come under the scheme according as may be provided by the scheme.

(3) The scheme is not to have effect until confirmed by the Insurance Commissioners, and the Insurance Commissioners shall not confirm the scheme unless satisfied that the value of the additional benefit is equivalent to the value of the benefits for which they are substituted, and that in view of the special circumstances of the members or class of members there is good reason for substituting the additional benefit for the original benefits.

(4) Nothing in this section or in the scheme is to affect any reserve value credited to the Society.

Note.—This Clause has a somewhat remarkable history:—It was added on Report, notice of it being given on 24th November in order to meet some of the objections to the inclusion of domestic servants in insurance. On 21st November, in Committee (Official report, column 1143), Mr. Worthington Evans urged that the individual servant ought to be entitled to select an Age pension as a substituted benefit instead of the sickness and invalidity benefit provided in the Bill. Mr. Lloyd George refused, stating that he could not give individual options except through the Post Office. Owing to the agitation in the Press, and protest meetings which were held everywhere, he changed his mind by the 24th November and gave notice of the new clause. Under the clause Approved Societies can submit a scheme which must include medical benefit, maternity benefit, and sanatorium

benefit, but which may omit the sickness and disablement benefits provided by the Bill and substitute in place of these the right to the insured person to have his or her contributions applied towards an Age pension commencing at, say, 60 or 65, or earlier, if incapacitated from earning wages. The scheme, however, is to have no effect unless confirmed by the Insurance Commissioners, and they must be satisfied that there are special circumstances for substituting the new for the old benefits.

In the case of hospital nurses it would certainly be useful, and in the case of domestic servants some use may be made of it.

If it is widely adopted it will have a considerable effect upon the incidence of State contribution.

The benefits under the pension scheme are postponed benefits, and therefore the contribution by the State would also be postponed. Benefits under a sickness scheme are spread more evenly.

Administration of Benefits.

CLAUSE 14.—Benefits to be Administered by Approved Societies or the Insurance Committees.

(1) Sickness, disablement, and maternity benefits due to insured persons who are members of an Approved Society shall be administered by the Society and those due to Deposit Contributors by the Insurance Committees. Medical and sanatorium benefits shall be administered by the Insurance Committees in all cases. Additional benefits are similarly administered.

(2) With the consent of the Insurance Commissioners Societies may apply their existing rules or make new rules for the conduct of their business and for infliction of penalties, including fines, suspension from benefits, etc., but—

(a) no fine shall exceed 10s., or, in case of repeated breaches of rules, 20s.

(b) no benefit shall be suspended for more than one year.

(c) women shall not be visited otherwise than by women.

(d) every rule relating to behaviour during disease or disablement shall be " in the prescribed form."

(e) no penalty shall be inflicted on account of the refusal of any person to submit to a surgical operation, or vaccination, or inoculation unless the refusal in the case of a surgical operation of a minor character is considered unreasonable by the Society or on Appeal by the Insurance Commissioners.

(f) maternity benefit shall not be suspended unless the woman has been guilty of any breach of rules or of imposition.

(3) The Insurance Committees may make similar rules subject to the approval of the Insurance Commissioners. The Postmaster-General's consent is necessary to any rule relating to anything to be done by the Post Office.

(4) Medical benefit shall not be suspended.

(5) Where any rules are required to be registered any rules approved by the Insurance Commissioners shall forthwith be registered, but are binding before registration.

CLAUSE 15.—Administration of Medical Benefit.

(1) Every Insurance Committee shall, for the purpose of administering medical benefit, make arrangements with duly qualified medical practitioners in accordance with the Regulations made by the Insurance Commissioners. The Regulations shall secure that insured persons receive adequate medical attendance and treatment and shall require every Insurance Committee to adopt such system as will secure—

(a) the publication of lists of medical practitioners who have agreed to attend and treat insured persons.

(b) a right for any duly qualified medical practitioner to be included in the list, but he may be removed by the Insurance Commissioners after such enquiry as may be prescribed if his continuance would be prejudicial to the efficiency of the medical service.

(c) a right to the insured person to select the practitioner and subject to the consent of the practitioner to be attended and treated by him.

(d) The distribution amongst the practitioners on the list of insured persons who have failed to make a selection or who have been refused by the practitioner selected.

(e) the provision of medical attendance and treatment at the same rate for members of any Friendly Society which becomes approved who are 65 or over, or who are permanently disabled, and thus not entitled to medical benefit under the Act.

(2) If the Insurance Commissioners are satisfied that the Practitioners included in the list cannot give adequate medical service in any area they may dispense with the adoption of such system and authorise the Committee to make such other arrangements as the Commissioners may approve or the Commissioners may make other arrangements, or may suspend the right to medical benefit in respect of any insured persons in the area, and may pay to such persons the estimated cost of medical benefit, and where the Commissioners make provision themselves they may retain the sums payable in respect of medical benefits for that purpose.

(3) The Regulations made by the Insurance Commissioners shall authorise the Insurance Committee to require any person whose income exceeds a limit to be fixed by the Committee and to allow others in lieu of receiving medical benefit, to make their own arrangements for any medical benefit, and in such cases the Committees shall pay over to such persons the amounts which would otherwise have been expended in providing medical benefits.

(4) Regulations shall provide that persons entitled to receive medical benefit through any Institution existing at the time of the passing of this Act, and approved by the Insurance Committee and the Insurance Commissioners may continue to be so treated and may provide for the Committee's contribution towards the expenses thereof, but the Regulations are to secure that no person is deprived of his free choice of a medical practitioner.

(5) Every Committee is also to make provision for the supply of proper and sufficient drugs and medicines and the prescribed appliances in accordance with the Regulations made by the Insurance Commissioners.

The Regulations are to enable insured persons to obtain from

any person, firm, or bodies corporate with whom arrangements have been made, such drugs, medicines, and appliances, if ordered by the medical practitioner, and shall require the adoption by every Insurance Committee of such a system as will secure—

(a) The publication of lists of persons, etc., who have agreed to supply drugs, medicines, and appliances according to a scale of prices to be fixed by the Committee.

(b) A right for any person, firm, or bodies corporate of being included in the list except in cases where the Insurance Commissioners after enquiry are satisfied that the inclusion would be prejudicial to the efficiency of the service.

Provided that—

(i) If the Insurance Commissioners are satisfied that the scale of prices is reasonable, but that the persons, etc., do not secure an adequate and convenient supply of drugs, etc., they may dispense with the adoption of such system in that area and authorise the Committee to make other arrangements subject to the Commissioners' approval.

(ii) No arrangement is to be made by the Insurance Committee with a medical practitioner under which he is bound or agrees to supply drugs or medicines except as may be provided by regulations made by the Insurance Commissioners.

(iii) Subject to the foregoing the regulations shall prohibit arrangements for dispensing of medicines being made with anyone except firms or bodies corporate entitled to carry on the business of a chemist or druggist who undertake that all medicines supplied shall be dispensed either by or under the direct supervision of a registered pharmacist or by a person who for three years prior to the Act has acted as a dispenser to a duly qualified medical practitioner or a Public Institution.

(iv) Nothing in this Act shall interfere with the rights and privileges conferred by the Apothecaries Act, 1815, upon any person qualified to act as an assistant to an apothecary in compounding and dispensing medicines.

(6) There shall in each year be paid to the Insurance Commissioners, out of money credited to a Society having members resident in the area, such sum for medical benefit and cost of administration as may be agreed between the Society and the Committee or determined by the Insurance Commissioners.

(7) If in any year the amount payable to the Insurance Committee is insufficient to meet the estimated expenditure, the Committee may through the Insurance Commissioners transmit to the Treasury and to the County Council or County Borough Council an estimate of the expenditure, and the Treasury by agreement with the Council may sanction the expenditure.

(8) If the expenditure is sanctioned the excess shall be made up one-half by the Treasury out of money provided by Parliament and one-half out of the County Fund of Borough Fund or Borough Rate.

Note.—It must be remembered that 6*s. only is provided by the contributions for the doctor and medicines of each insured person; and that there is no compulsion put upon the County Council and the Treasury to make up the difference.*

CLAUSE 16.—Administration of Sanatorium Benefit.

(1) Insurance Committees are to make arrangements to the satisfaction of the Insurance Commissioners

(a) With persons or local Authorities, not Poor Law Authorities, to provide treatment for insured persons in sanatoria and other institutions.

(b) To provide treatment otherwise than in sanatoria and other institutions, such treatment to be in a manner approved by the Local Government Board.

(2) The yearly sums available for the expenses of sanatorium benefit shall be

(a) 1s. 3d. for each insured person payable out of the benefit funds.

(b) 1d. for each person payable out of the State funds, but the latter may be retained by the Insurance Commissioners for the purposes of research.

An insured person is not entitled to sanatorium benefit unless the Insurance Committee recommend the case. The expense of conveying an insured person to and from any sanatorium may be paid by the Insurance Committee out of funds.

CLAUSE 17.—Power to Extend Sanatorium Benefits to Dependents.

(1) The dependents of an insured person may also be given sanatorium benefit out of the funds available.

(2) If in any year the funds available are insufficient the Insurance Committee may through the Insurance Commissioners send to the Treasury and to the County or County Borough Council an estimate of the proposed expenditure, and the Treasury and Council may if they think fit sanction such expenditure.

(3) If the expenditure is sanctioned one-half of the excess expenditure shall be paid by the State and one-half out of the County or County Borough rates.

Note.—The Government Actuaries estimate that 1*s.* 3*d. per annum per person is required to give sanatorium benefit to the insured person. This Clause (No.* 17*) gives power to extend sanatorium benefit to dependents, i.e., to wives and children of insured persons, but the Government Actuaries' report dated November* 28, 1911, *shows that no more than* 1*s.* 3*d. can be set aside out of the contributions for sanatorium benefit. There is, therefore, no sum provided in the contributions for extending the sanatorium benefits to dependents. Unless the Treasury and the County Councils or the County Borough Councils choose to provide the money there will be no fund out of which these benefits can be given.*

On July 17, 1911 (*see Official Report*), *Mr. Lloyd George promised that the House of Commons should reconsider the question of providing funds for sanatorium benefits for dependents, and undertook to re-commit the Bill for the purpose. He did not carry out his undertaking. This clause was not discussed in Committee or on Report owing to the Government closure.*

CLAUSE 18.—Administration of Maternity Benefit.

(1) Maternity benefit is to be administered in cash or otherwise for an insured woman by the Woman's Society if she is a

society member, or by the Insurance Committee if she is a Deposit contributor; in any other case by the husband's society or the Insurance Committee. The Mother shall decide whether she will be attended by a Medical Practitioner or by a Midwife, and she makes the choice. If a Medical Practitioner is called in pursuant to the Midwives' Act, 1902, the fee shall be recoverable as part of the benefit.

For the purpose of the Bastardy Act maternity benefit shall not be counted.

CLAUSE 19.—Punishment of Husband in Certain Cases of Neglect.

If maternity benefit is paid to the husband it is his duty to make adequate provision to the best of his power for the maintenance and care of his wife during her confinement, and for four weeks afterwards. Penalties for failure, imprisonment for not more than one month.

CLAUSE 20.—Re-insurance for Purposes of Maternity Benefit.

The Insurance Commissioners may by special order provide for re-insurance with them of the liability of all Approved Societies in respect of maternity benefit, and may settle the premiums.

Note.—This clause was inserted on report on the motion of Mr. G. Locker-Lampson.

CLAUSE 21.—Power to Approved Societies to Subscribe to Hospitals, etc.

An Approved Society or an Insurance Committee may grant subscriptions out of the Benefits Fund to Hospitals, Dispensaries, and Charitable Institutions, and for District Nurses, and may appoint Nurses for visiting and nursing insured persons.

CLAUSE 22.—Power of Councils of Boroughs and Districts to Contribute to Certain Expenditure on Medical and Sanatorium Benefits.

A Borough Council or Urban or Rural District Council may agree with the Council of the County to make payments towards excess expenditure on medical or sanatorium benefits, in which case it shall be payable out of the rates.

Note.—This clause was not discussed in Committee or on Report owing to the Government closure.

Approved Societies.

CLAUSE 23.—Conditions for Approval of Approved Societies.

(1) Any Society not being a branch of another such body registered or established under Act of Parliament or Royal Charter, or having a constitution of such a character "as may be prescribed," which complies with the requirements of this Act, may be approved by the Insurance Commissioners, and if approved shall be an Approved Society for the purposes of this Act.

Where any Society establishes a separate section, consisting of insured persons with or without honorary members and fulfils the

requirements of this Act, the separate section may be approved as an Approved Society.

Note.—This provision will enable Trade Unions, Industrial Collecting and Holloway Societies to have a separate State section, the State section alone being subject to the Act, the other business being kept separate.

(2) No Society shall receive approval unless it satisfies the following conditions:—

(i) It must not be a Society carried on for profit.

Note.—In the case of an Industrial Assurance Company whose ordinary business is carried on for profit the separate State section only will be approved.

(ii) Its constitution must provide for its members having absolute control, including election and removal of the Committee of Management, or of the delegates if the Society is managed by delegates.

(iii) Honorary members must have no right to vote.

(3) Application for approval may be made before or after the commencement of the Act. Approval may be granted by the Insurance Commissioners, either unconditionally or subject to steps being taken to comply with the requirements of the Act.

CLAUSE 24.—Power of Societies to Undertake Business under Part I.

(1) Societies established before the passing of the Act, notwithstanding anything in the Constitution or Rules, may undertake the transaction of business under the Act.

(2) The Friendly Societies Act, 1896, section 70, sub-sections 3 and 4, shall not apply to any resolution for amalgamation or transfer of engagements when the resolution is made expressly for the purposes of this Act.

(3) This section shall come into force on the passing of the Act (i.e., 16th December, 1911), and shall not continue in force beyond the expiration of one year from the commencement of the Act, except to enable business to be continued under the Act.

Note.—This clause was not discussed in committee or on report owing to the Government closure.

CLAUSE 25.—Special Provision for Employers' Provident Fund, etc.

(1) Persons entitled to rights in superannuation or other provident funds established by one or more employers may form an Approved Society, notwithstanding that the employer is entitled to representation on the Committee of not more than one-fourth of the total number, if the employer, in addition to his contribution, is responsible for the solvency of the fund or makes substantial contribution to the benefits payable out of the fund.

But to be approved such a Society must allow a member to transfer to another Approved Society, and must permit a member who leaves the employment if he is unable to gain admittance to another Approved Society on account of his health to continue a member, and must provide for the election of the Committee of Management other than the employers' representatives by a ballot.

The employer must not make membership of such Society a condition of employment.

(2) If the necessary alteration of rules cannot be made under its existing constitution, a scheme for the purpose may be approved by the Insurance Commissioners.

(3) When a scheme has been approved by the Insurance Commissioners the act or deed constituting the Society shall be considered altered accordingly. The Commissioners shall not approve a scheme unless they are satisfied that the members of the Society have had an opportunity of voting by ballot thereon, and that the scheme safeguards existing rights and interests.

CLAUSE 26.—Security to be Given by Approved Societies.

(1) Every Society shall give such security as the Insurance Commissioners may consider sufficient to provide against misappropriation by officers of the Society of any funds, but no security shall be required from any Society which proves to the Insurance Commissioners that the only funds coming to the Society are such as are required for reimbursing some previous expenditure by the Society.

(2) For a Society with branches, security shall be given for each branch.

(3) The Insurance Commissioners may vary the security from time to time, and where investments are deposited others may be substituted.

(4) Dividends or interest on deposited investments shall be paid to the Society.

CLAUSE 27.—Provisions as to Approved Societies.

(1) Every Society shall make rules for the administration of its affairs, to the satisfaction of the Insurance Commissioners, and if a Society with branches—

(a) For the government of the Society and its branches.
(b) For the determination of disputes.
(c) For the administration of benefits by the branches.
(d) For proper books of account to be kept by the branches.
(e) For suspending any branch in default and providing for administration of its affairs.

(2) The Insurance Commissioners shall make regulations as to place in which meetings of the Society and branches are to be held, and may provide for the use with or without payment of any office or buildings under the control of a Government Department, including a Labour Exchange or belonging to a local authority, subject to the consent of the Department or Authority.

(3) Where any rules are required to be registered, rules approved by the Insurance Commissioners under this section shall forthwith be registered, and shall have effect as if registered.

CLAUSE 28.—Secessions, etc.

(1) No branch may secede or withdraw from its Society without the consent of the Insurance Commissioners. Such consent shall not be given unless the branch complies with the conditions of

Approved Societies, but no consent shall be required if the branch makes provision to the satisfaction of the Insurance Commissioners for the transfer of its members to other Societies.

(2) No Approved Society or branch shall be dissolved without the consent of the Insurance Commissioners.

(3) No branch shall be expelled unless proper provision to the satisfaction of the Insurance Commissioners is made for the members of the branch.

(4) This section shall have effect, notwithstanding anything in the constitution of the Society.

Note.—Some Societies have rules to prevent a branch seceding under a penalty—these rules are over-ridden by this Act. This clause was not discussed in committee or on report owing to the Government closure.

CLAUSE 29.—Withdrawal of Approval.

If a Society or branch fails to comply with the requirements of the Act or is convicted of any offence, the Insurance Commissioners may withdraw approval and make provision for insured members.

Note.—This clause was not discussed in committee or on report owing to the Government closure.

Membership of Approved Societies and Transfer of Members.

CLAUSE 30.—Admission of Insured Persons to Membership in Approved Societies.

(1) Any insured person and any person entitled to become insured may apply to an Approved Society for membership.

(2) An Approved Society shall be entitled, in accordance with its rules, to admit or reject any such applicant or to expel any of its members, but no applicant shall be refused solely on the ground of age of the applicant.

(3) This section shall come into operation on the passing of the Act.

Note.—The following statement will be found on page 140 *of "The People's Insurance" by the Chancellor of the Exchequer, Mr. Lloyd George. "No compulsion is to be exercised upon Friendly Societies in admitting members. They may reject or accept any man. All of them have an age limit above which they will not take members. Men over these ages who desire to take advantage of the Government offer or who are compelled to do so by the amount of wages they earn must become Post Office Contributors." Apparently Mr. Lloyd George thought when he wrote this book in May,* 1911, *that Societies were not to be compelled to alter their rules with regard to the age limit. His statement is quite inaccurate, both as to the Bill as introduced and as to the Bill as passed. Persons of any age under* 65 *must not be rejected by Societies on the ground of age.*

CLAUSE 31.—Transfer from one Approved Society to Another.

(1) If an insured member ceases to be a member of a Society, whether voluntarily or by expulsion, and becomes a member of another Society, there shall be transferred to such other Society a sum called "transfer value," to be calculated in accordance with Tables to be prepared by the Insurance Commissioners, but the transfer value shall not be transferred where the first Society proves that the insured member voluntarily left without the consent of the Society, and that consent was not unreasonably withheld.

(2) Transfers between branches are similarly treated.

CLAUSE 32.—Transfer to Foreign and Colonial Societies.

(1) Where an insured person ceases to be permanently resident in the United Kingdom and becomes a member of a Society in a British possession or Foreign Country which is approved by the Insurance Commissioners, or of any branch established outside the United Kingdom of an Approved Society, the transfer value, or, if a Deposit Contributor, his credit, shall be paid to such Society or branch, but only if the Insurance Commissioners are satisfied that corresponding rights are granted to any of its members becoming resident in the United Kingdom.

(2) Where an arrangement has been made between Foreign or Colonial Governments for the transfer of members of Foreign Societies, the Insurance Commissioners may make reciprocal arrangements.

CLAUSE 33.—Transfer Values of Emigrants who Remain Members of Approved Societies.

If a person who has been for not less than five years a member of an Approved Society ceases to reside permanently in the United Kingdom and does not join a Foreign or Colonial section, part of his transfer value may be transferred to the voluntary branch of his Approved Society (*i.e., the non-State section*) if his Society is willing to permit him to remain a member. The balance of his reserve value is then cancelled on the same principle as if the transfer were to the Post Office.

CLAUSE 34.—Prohibition Against Double Insurance.

No person may attempt to become a member of more than one approved Society or be a Deposit Contributor and a member of an Approved Society at the same time, but he may be a member of any other Society independently of this Act.

Note.—The Bill as introduced provided a limit of benefits so as to reduce the State benefit to the amount which, with his other insurance, would equal his wages. The prohibition has now been abandoned, and there is nothing to prevent a man, unless his Society, by its rules, prevents him, from insuring for any aggregate amount he pleases, even though the total exceeds his wages. This clause was not discussed in Committee or on Report owing to the Government closure.

Accounts, Valuations, Surpluses, and Deficits.

CLAUSE 35.—Approved Societies to Keep Proper Accounts.

(1) Every Society and branch must—

(a) Keep separate books and accounts under the Act in such a form "as may be prescribed" by the Insurance Commissioners and submit them to audit by Treasury Auditors.

(b) Submit to have its assets and liabilities under the Act valued.

(c) Comply with the provisions relating to surpluses and deficits.

(d) Make the prescribed returns to the Insurance Commissioners.

(2) Regulations made under this section shall provide for a separate account for, and limit the amount of, administration expenses, and for requiring any deficiency, if not otherwise defrayed, to be met forthwith by a special levy.

(3) The provisions of the Act relating to accounts, audit, valuations, and returns shall be substituted for the Society's regulations.

(4) In the case of a Society or branch transacting other business, all funds and credits of the Society or branch under this Act shall be as absolutely the security of its members for the purposes of this Act as if they belonged to a Society or branch carrying on no other business, and they shall be applied only for the purposes of the business under this Act.

The expression "Society" in this sub-section means the Society and not the separate section of the Society.

Note.—This clause was not discussed either in Committee or on Report owing to the Government closure.

CLAUSE 36.—Valuations of Approved Societies.

(1) A valuation of the assets and liabilities of every Society and branch shall be made by a valuer appointed by the Treasury at the expiration of every three years, or whenever the Insurance Commissioners appoint.

(2) The basis of valuation is to be "as may be prescribed."

Note.—This clause was not discussed either in Committee or on Report owing to the Government closure.

CLAUSE 37.—Surpluses.

(1) If on valuation a disposable surplus is found, the following provisions shall apply:—

(a) If the Society is a Society *without branches* the Society may submit to the Insurance Commissioners a scheme, and upon sanction being given the Society may distribute out of such surpluses any one or more additional benefits among insured persons.

Note.—For additional benefits see Fourth Schedule, Part II. (*page* 76). *A Society without branches may retain its whole surplus if it has* 5,000 *members.*

(b) If the Society is a Society *with branches,* any surplus in the central fund of the Society shall be applied in making good any deficiency shown by any of its branches and the balance

shall be re-transferred to such of the branches as have surpluses, *pro rata*.

(c) If, on the valuation of a branch of an Approved Society a surplus is shown, one-third shall be transferred to the central authority of the Society, and a branch may, with the approval of the Society, submit to the Insurance Commissioners a scheme, and when such scheme is sanctioned, may distribute out of the remaining two-thirds of the surplus, together with any balance under (b), any one or more additional benefits.

(d) If a subsequent deficiency arises, additional benefits are to be suspended until the deficiency is extinguished.

(2) The scheme may prescribe the conditions applicable to additional benefits and for treatment of members in arrear.

(3) No part of any surplus shall be applied for paying any benefits payable on death or any benefits other than additional benefits specified in the Fourth Schedule, Part II.

CLAUSE 38.—Deficit.

(1) If upon such valuation a deficit is found the following provisions shall apply :—

(a) If a deficit is shown by a branch three-fourths, or, if the Society thinks fit, the whole, shall, as far as possible, be made good out of any surplus in the hands of the Central authority, but the Society may, with the consent of the Insurance Commissioners, refuse to make good the deficiency if it is due to maladministration.

(b) If the deficiency is not made good by the Central authority the Society or branch in deficiency must submit a scheme to the Insurance Commissioners to make good the deficiency within three years from the date of valuation in one or more of the following ways :—

(i) By a compulsory levy (i.e., increased weekly contributions) by the members of the Society or branch.

(ii) By reduction of sickness benefit.

(iii) By deferring the day as from which sickness benefit is payable (i.e., from the sixth or eighth day instead of the fourth day).

(iv) By reducing the sickness benefit period (i.e., below 26 weeks).

(v) By increasing the second or intervening qualifying period.

(vi) By any other method approved by the Insurance Commissioners.

(c) Payment of compulsory levies may be enforced by the rules of the Society or branch, and if so provided the Society or branch may give notice to the employer of such member requiring him to pay the amount of the levy which may then be deducted from his wages.

Note.—This might seriously affect the employment of an insured person.

(d) Arrears of levy are to count as arrears of contributions.

(e) If within six months after the declaration of deficiency (or a longer period where an enquiry as to excessive sickness is pending) a scheme has not been submitted to and approved by

the Insurance Commissioners (or if the Insurance Commissioners consider that the Society or branch is not enforcing the provisions of the scheme), the Insurance Commissioners may take over the management and may take steps to make good the deficiency by levy, etc.

(f) The Insurance Commissioners shall make arrangements within three years to restore to the Society or branch its power of self-government or for transfer of the members.

(g) Any dispute as to a valuation or a deficiency scheme is to be settled by a valuer appointed by the Lord Chief Justice. He is to determine how the expenses of proceedings are to be borne and his decision is final and conclusive.

(h) A deficiency scheme is not to affect members joining after the date of the valuation or any member over 70.

(i) Any member of a Society or branch transferred to another Society or branch before a deficiency is made good shall remain liable to the levy or reduction of benefits. The transfer value shall be adjusted accordingly.

(2) Any member liable to levy or diminution of benefits may pay the capital value thereof to the Insurance Commissioners.

CLAUSE 39.—Pooling Arrangements in the Case of Small Societies.

(1) If Approved Societies at the date of valuation have less than 5,000 members they shall for the purposes of the valuation—

(a) if they have joined an Association formed under this section be associated with the other Societies in the same Association, and

(b) If they have not joined any such Association, be grouped together according to the locality in which they carry on business.

(2) Such Societies may, with the consent of the Insurance Commissioners form an Association with a Central Financial Committee provided that the aggregate number of insured persons in the associated Societies is not less than 5,000, and the conditions on which a Society may join or secede from an Association shall be such " as may be prescribed."

(3) Any Society which has not joined such an Association and which carries on business in any County or County Borough shall be grouped with other unassociated Societies in the same County or County Borough.

(4) The provisions in this Act as to surpluses of branches shall apply to associated and grouped Societies as if all the Societies in any association or group were branches of single Societies with the following modifications:—

(a) The Central Financial Committee in the case of an Association and the Insurance Committee in the case of a group are substituted for the Central Authority.

(b) The approval of the Central Financial Committee or Insurance Committee shall not be required to any scheme prepared by an Associated or grouped Society for distribution of any surplus.

Note.—Under clause 37, which is made to apply one-third of the surplus of each Society found on valuation, must be

paid over to the Central Financial Committee of the Association or the Insurance Committee of the County to be applied to make good deficiencies in other Societies within an Association or the County, and the scheme for dividing the remaining surpluses and the balance after making good deficiencies must be submitted to the Insurance Commissioners and approved by them before it can be put into operation. This clause was not discussed in Committee or on Report owing to the Government closure. Amendments were put down by Unionists to reduce the number of 5,000 *to* 1,000 *in order to save many old-established solvent Societies, but these amendments were closured and not discussed.*

(5) Where an Associated or grouped Society is a Society with branches each branch is to be treated as a separate Society except for the provision requiring the approval of the Society to a scheme prepared by a branch as to surpluses and deficiencies.

(6) A Society shall be deemed to carry on business only in the County or County Borough where its registered office or other principal place of business is situate, but where more than 100 members or more than one-sixth of the members of a grouped Society reside in some other County or County Borough if application is made by any of the Insurance Committees concerned the proper proportion of surplus or deficiency (to be determined in case of dispute by the Insurance Commissioners) shall be apportioned between the Insurance Committees concerned.

(7) The Insurance Commissioners may exempt any Society of persons entitled to a superannuation or provident fund established by employers under Clause 25.

(8) Except so far as relates to the power of refusal to make good a deficiency due to maladministration the Central Financial Committee or the Insurance Committee shall not have power of control over the administration of Associated or grouped Societies.

CLAUSE 40.—Special Provisions with Regard to Societies with Branches.

(1) Where a Society with branches is so organised that the branches in different areas are grouped for the purpose of this section, the branches may, if the rules of the Society provide, and if the members of the branches in the area exceed 5,000, be treated as a separate Society for the purpose of valuation surpluses and deficiencies.

(2) The rules of any Society may provide for the branches reinsuring with the Society their liability in respect of any of the benefits under the Act, or for reinsurance with the Society or with the group.

(3) Where a Society with branches has members who are not members of any branch and the benefits of such members are administered by the Society such members shall be treated as a separate branch for the purposes of valuation surpluses and deficiency.

Note.—This clause was not discussed either in Committee or on Report owing to the Government closure.

CLAUSE 41.—Power to Separate Men's and Women's Funds.

Where an Approved Society not being a Society with branches has amongst its members both men and women and the rules so provide, the provisions of the Act relating to valuations, surpluses, and deficiencies shall apply to the Society as if it had two branches, the one comprising male members and the other female members.

Note.—No provision seems to have been made for separating the male and female funds of a centralised Society.

Deposit Insurance.

CLAUSE 42.—Provision as to Deposit Contributors.

The following provisions apply until 1st January, 1915. Deposit contributors are those who have not joined an Approved Society within "the prescribed time," or who have been expelled or resigned from a Society and have not joined another Society:—

(a) Contributions by a Deposit Contributor and his employer shall be credited to a special fund, to be called The Post Office Fund.

(b) The sum required for payment of sickness, disablement, or maternity benefits to a Deposit Contributor (except those provided by Parliament) shall be paid out of the money credited to him or her in the Post Office. He or she is suspended from benefits when the fund is exhausted, except that medical and sanatorium benefits shall continue until the expiration of the then current year, and that the Insurance Committee, if it has available funds, may allow him or her to continue to receive medical benefit and sanatorium benefit for a longer period.

(c) A prescribed sum for the expenses incurred by the Insurance Committee in the administration of benefits shall be paid by him or her.

Note.—For all insured persons expenses of administration are calculated at 4s. *a year. Probably for Deposit contributors the expenses will be greater.*

(d) Such sum as the Insurance Committee, with the consent of the Insurance Commissioners, determine shall be payable for the cost of medical benefit.

Note.—The Actuaries have allowed 6s. *per annum for the healthy members of Friendly Societies. More than this sum will be required for Deposit Contributors.*

(e) The sums payable for medical benefit (say, 8s. 6d.) and sanatorium benefit (say, 1s. 3d.), and towards the expenses of administration (say, 4s.), shall be deducted at the commencement of each year from the Deposit Contributor's credit at the Post Office, except so far as they are payable by the State (i.e., two-ninths). If at the commencement of any year the amount to his credit is insufficient to provide such sum he shall not, unless the Insurance Committee consent, be entitled to any benefits during that year.

(f) On the death of a Deposit Contributor, if a man four-sevenths, or if a woman one-half, of the amount standing to his

credit shall be paid to his nominee, and the balance shall be forfeited.

Note.—This is the only death or funeral benefit under the Bill.

(g) Under the Act, where a Deposit Contributor proves to the Insurance Committee that he has permanently ceased to reside in the United Kingdom, if a man four-sevenths, or if a woman one-half, of his credit in the Post Office may be paid to him.

Note.—The Actuaries estimate that the State will be paying not more than £250,000 *a year towards the Deposit Contributors (and not more than half that sum in the first financial year), and that there will be* 882,000 *Deposit Contributors. (Actuaries' Report, 28th November,* 1911.) *The full amount payable by the State is therefore equivalent to* $1\frac{1}{3}d.$ *per week for each Deposit Contributor. If a man, who is a Deposit Contributor, is employed for* 30 *weeks in the year he will have to his credit* 20*s.* 10*d. (including the State subsidy), from which must be deducted the cost of medical and sanatorium benefits and administration expenses, say,* 13*s.* 9*d., leaving him* 7*s.* 1*d., or less than one week's sickness benefit. He may be even worse off at the beginning of any year if he has not got* 13*s.* 9*d. to his credit, which is about twenty weeks' regular contributions; for, in that case, he may not be entitled to any benefits during that year. Apparently the sum would still be deducted in accordance with sub-section (e).*

The Actuaries estimate that 882,000 *persons will become Deposit Contributors, but this number may be largely exceeded; for besides those who are unhealthy and who are thus unable to get into Approved Societies, there are large numbers who are so irregularly employed that they will fall into arrear and be suspended, and thus drop out of Approved Societies. On the other hand, some of the best lives relying on their own good health may deliberately join the Deposit Contributors, for if they are in regular employment for twenty years and do not claim sickness benefit, they would accumulate about* £21 *(if the foregoing estimate of expenditure is correct), and the death benefit in that case would be four-sevenths of* £21, *equal to* £12.

An amendment was moved on 1*st November by Mr. L. Worthington Evans to do away with the Deposit Contributor class and to set up instead Health Societies under the County Insurance Committees to take in all those who were refused by the Approved Societies and to give them a proper insurance but with lower benefits. This amendment was refused. Division No.* 359. *There voted For,* 125; *Against,* 245. *Government majority,* 120.

The original Bill provided that no Deposit Contributor could obtain sickness benefit until he had paid 52 *weeks' contributions. This provision was omitted by*

an amendment moved by Mr. Cassel on 1st November and agreed to.

The provision returning four-sevenths of the Deposit Contributors' credit on his ceasing to reside permanently in the United Kingdom was inserted on Report to meet an amendment moved by Mr. Cassel on 1st November. Official Report, Column 995.

CLAUSE 43.—Transfers from Approved Societies to Deposit Insurance and vice versa.

(1) If a member of an Approved Society ceases to be a member, whether voluntarily or by expulsion, and fails to become within "the prescribed time" a member of another Society, then

(a) If he becomes a deposit contributor, his transfer value, less his outstanding reserve value, which shall be cancelled, is credited to him in the Post Office fund.

(b) If he does not become a deposit contributor, his transfer value shall be carried to such account and dealt with in such a manner as "may be prescribed."

(2) If a deposit contributor becomes a member of an Approved Society his credit in the Post Office shall be transferred to the Society, but

(a) If the amount exceeds the value of contributions which would have been paid had he always been a member of the Society, the excess shall be forfeited to the Post Office fund.

(b) If that amount is less than such value, he shall be treated as if in arrear.

Provisions as to Special Classes of Insured Persons.

CLAUSE 44.—Special Provisions with Respect to Married Women.

(1) Where an insured woman marries, she shall be suspended from ordinary benefits until the death of her husband. If she is a member of an approved Society, one-third of her transfer value shall be carried to the married women's suspense account, but if after the death of her husband she becomes an employed contributor, the period between her marriage and one month after the death of her husband shall be disregarded for the purposes of arrears, and her proper reserve value shall be transferred to her Society from the married women's suspense account.

But if she proves that she continues to be employed after marriage, she shall not be suspended while employed; or if while suspended she again becomes employed before the death of her husband she shall receive ordinary benefits.

Note.—Married women outworkers are exempt.

(2) Where a married woman who is a member of an Approved Society is suspended from ordinary benefit, she may elect within one month to become a voluntary contributor subject to the following modifications:

(a) Contributions payable by her shall be 3d. a week.

(b) She shall be entitled to

(i) Medical benefit, and

(ii) Sickness and disablement benefits at the rates in the fourth schedule, Part I., Table D. (See page 76.)

(c) No part of her contributions shall be retained for redemption of reserve values.

Note.—The 1½d. a week will not be deducted from her contributions.

Provided that where a married woman elects not to become a voluntary contributor, two-thirds of her transfer value shall be applied in accordance with regulations of the Insurance Commissioners in payment of the benefits specified in the fourth schedule Part III. (page 77) until the same is exhausted. Reserve value shall be written off.

(3) Where the husband of a married woman suspended from ordinary benefits dies, she may, if qualified, elect within one month from the death to become an ordinary voluntary contributor paying the full voluntary rate.

Note.—Qualification means either in regular occupation and dependent upon her earnings or five years' previous insurance (see Clause 1 (3)).

But whether qualified or not, if she elects within one month after the death of her husband, she may continue as a voluntary contributor at the reduced rate of contribution of 3d. a week, and with reduced benefits in the same way as a married woman. The proper reserve value shall be transferred to the Society from the married women's suspense account.

(4) Where a married woman was a deposit contributor, and is suspended from ordinary benefits, two-thirds of her credit shall be applied in accordance with regulations of the Insurance Commissioners towards payment of benefits specified in the fourth schedule, Part III. (See page 77.)

(5) Where a woman who was married at the commencement of this Act, either before or within one year after the death of her husband, becomes an employed contributor and a member of a Society, she shall be entitled to full benefits notwithstanding that she at that time is of the age of 17 or upwards.

(6) Arrears accrued due during marriage shall be disregarded on the death of her husband.

(7) Except as provided by this section, a married woman shall not be entitled to become a voluntary contributor, and if before marriage she is a voluntary contributor she shall not be entitled to continue on marriage.

(8) If a woman whilst a voluntary contributor at reduced rates becomes employed, she shall be entitled to a certificate exempting her from liability to become an employed contributor, but the employer shall pay the full contributions and recover her proportion from her. Threepence shall be treated as her contribution to voluntary insurance, and the balance shall be applied for her benefit as the Society may determine.

(9) If the married women's suspense account shall become insufficient to meet liabilities, the deficiency shall be made good out of the sums retained by the Insurance Commissioners for redeeming reserve values.

(10) Transfer value for the purposes of this section shall be calculated "as may be prescribed" by the Insurance Commissioners.

(11) Where a woman is a member of an Approved Society at the time when she is entitled to exercise an option under this section, it shall be the duty of the Society to give her full information as to the nature of her rights.

(12) The Insurance Commissioners may prescribe such adjustments in the transfer to a married woman's suspense account in the transfer value and in the rates of benefit where a deficiency has arisen in a Society or branch which has not been made good at the time of a woman's suspension from ordinary benefits as they think fit.

(13) Save as aforesaid "the provisions of this part of this Act shall apply to a woman who has been married both during and after coverture in like manner as if she had never been married."

(14) "This section shall apply in the case of a woman whose marriage has been dissolved or annulled, or who has for a period of not less than two years been actually separated from or deserted by her husband, as if her husband had died at the date at which such dissolution or annulment took effect, or as the case may require, at the expiration of such period of two years."

CLAUSE 45.—Special Provisions as to Aliens.

(1) The Act shall apply to persons of the age of 17 and upwards at the date of entry into insurance, who are not British subjects subject to the following modifications:—

(a) No person shall be qualified to become a member of an Approved Society for the purposes of this Act except upon the terms and subject to the conditions hereinafter mentioned.

(b) No part of the benefits shall be paid out of moneys provided by Parliament.

(c) Sickness, disablement, and maternity benefits shall be reduced, men to seven-ninths, women to three-fourths of the full rate.

(d) No part of the sums payable for medical and sanatorium benefits, or for administration, shall be paid out of moneys provided by Parliament.

(2) Where an Alien becomes a member of an Approved Society the following provisions shall apply:—

(i) Contributions payable by or in respect of such person shall be credited to the Society.

(ii) The Society shall pay to the Insurance Committee the whole of the sum payable for medical and sanatorium benefits.

(iii) The rate and conditions of sickness, and disablement, and maternity benefits shall be determined by the Society.

(iv) No reserve value shall be credited, and no part of the contributions shall be retained, to redeem reserve values.

(3) If a woman who is a British subject marries an alien she shall not be subject to this section if her husband is dead or the marriage has been dissolved or annulled, or if she has been separated from her husband for two years.

This section shall not apply to any person who on 4th May, 1911, was a member of a Society which becomes an Approved Society, and had then been resident in the United Kingdom for five years or upwards, or to a person transferred under clause 32.

Note.—The date of the first reading of the Bill was the 4th May, 1911. *The original Bill did not contain this clause. It was put in to*

meet amendments inserted by Mr. Worthington Evans and other members, and so to preserve the rights of existing not naturalised members of Friendly Societies.

CLAUSE 46.—Special Provisions with Regard to Persons in the Naval and Military Services of the Crown.

(1) For the Insurance of seamen, marines, and soldiers 1½d. per week shall be deducted from their pay, and the Admiralty and the Army Council shall contribute 1½d. per week for every such seaman, marine, or soldier who has joined an Approved Society, and for every other seaman, marine, and soldier such a sum per week "as may be prescribed," but no deduction shall be made from the pay of a seaman, marine, or soldier who has completed his first engagement and has re-engaged for pension unless he so elects.

(2) A seaman, marine, or soldier

(a) Who at the date of his entry or enlistment is a member of an Approved Society, or (b) within six months thereafter, or after the commencement of this Act joins an Approved Society shall be treated as an employed contributor, subject *until his discharge* to the following modifications :—

(i) The employed rate shall be 3d., and the 1½d. deducted from his pay and the 1½d. contributed by the Admiralty or Army Council shall be treated as his contributions.

(ii) He shall not be entitled to medical benefit, sanatorium benefit, sickness benefit, or disablement benefit.

(iii) Maternity benefit shall be payable notwithstanding that he and his wife are resident outside the United Kingdom at the date of the confinement. The Society may arrange with the Admiralty or Army Council for the administration of sanatorium benefit.

(iv) The Insurance Commissioners shall retain 1d. out of each weekly contribution to discharge the reserve values and the remaining five-ninths shall be paid out of the Navy and Army Insurance Fund.

Note.—2d. will, therefore, be credited to his Society for the purpose of accumulating for future benefits when the man leaves the Service and for paying for maternity benefit while he is in the Service.

(3) With respect to seamen, marines, and soldiers who have not joined an Approved Society, the following provisions shall have effect :—

(a) The 1½d. deducted and the prescribed sums contributed shall be paid into the National Health Insurance Fund. The Insurance Commissioners shall retain 1d. to redeem the reserve values and the balance, 2d., shall be credited to the Navy and Army Insurance Fund.

(b) There shall be paid into the Navy and Army Insurance Fund out of moneys provided by Parliament a sum equal to two-ninths of the amounts which would have been payable in respect of all seamen, marines, and soldiers, if they were ordinary employed contributors.

Note.—Two-ninths will be calculated on the average of the cost to the State of civilians who are members of Ap-

proved Societies. It will be observed that the hypothetical two-ninths attributed also to men who have joined Friendly Societies is taken by the Navy and Army Insurance Fund instead of being paid over to the Approved Societies in respect of their own members. This is unfair—as if men join Approved Societies early in life the Societies will run the same risk as the Navy and Army Fund, and should receive the same financial support.

(c) The weekly contributions to be made by the Admiralty and Army Council shall be such a sum as may from time to time be required to keep the Navy and Army Insurance Fund solvent.

Note.—This provision amounts to a guarantee of the minimum benefits to the members of the Navy and Army Insurance Fund.

(d) The amount to the credit of a Deposit Contributor on his entry or enlistment will be transferred to the Navy and Army Insurance Fund.

(e) In the case of a seaman, marine, or soldier serving at the commencement of the Act the Navy and Army Insurance Fund shall be credited with the same reserve value as if he had joined an Approved Society as an employed contributor, but no reserve value shall be credited in respect of a man re-engaging for pension unless he elects to be insured.

(f) Every such man shall be entitled to maternity benefit payable out of the Navy and Army Insurance Fund, notwithstanding that both he and his wife are resident out of the United Kingdom at the date of confinement.

(g) On the discharge of a seaman, marine, or soldier, the transfer value of a man who joins an Approved Society shall be credited to the Society, and in the case of the man who joins the Post Office as a Deposit Contributor a similar sum shall be credited to him unless he becomes entitled to benefits out of the Navy and Army Insurance Fund.

(h) A seaman, marine, or soldier on discharge who proves that the state of his health is such that he cannot obtain admission to an Approved Society may, on making application to the Insurance Commissioners within three months of his discharge, become (subject to Regulations) entitled to benefits other than additional benefits at the full rate, and the cost of such benefits shall be payable out of the Navy and Army Insurance Fund, and such benefits shall be administered by Insurance Committees or otherwise "as may be prescribed," and any further contributions paid by or in respect of him shall be paid into that fund, provided that—

(i) No deduction from benefits shall be made on account of any pension to which a man may be entitled.

Note.—This sub-section is the result of an amendment put down by Mr. Worthington Evans and moved by Mr. H. W. Forster, and accepted by the Government.

(ii) The rate of sickness benefit may be reduced in the case of a man who entered into insurance at the age of 17 or upwards, or who is in arrear to the same extent as

if he were a member of an Approved Society, but the sickness benefit shall in no case be reduced below 5s. a week.

(iii) Two-ninths of the benefits expended out of the Navy and Army Insurance Fund shall be repaid out of moneys provided by Parliament.

(iv) If a man entitled to benefits out of the Navy and Army Insurance Fund joins an Approved Society his transfer value shall be credited to such Society and debited to the fund, and he shall cease to be entitled to benefits out of the fund.

(4) (i) The date of entry or enlistment of a seaman, marine, or soldier, or if he is serving at the commencement of the Act the date of commencement shall be treated as the date of his entry into insurance unless he was an insured person at the date of his entry or enlistment.

(ii) Deductions from pay and contributions by the Admiralty and Army Council shall be treated as payment of contributions at the employed rate for the purpose of reckoning contributions made in respect of him and for arrears and transfer value, and for the purposes of qualification for becoming a voluntary contributor.

(iii) A seaman, marine, or soldier, during his term of service, if he has joined an Approved Society before his entry or enlistment, shall be deemed to reside in that part of the United Kingdom in which he resided immediately before his entry or enlistment, or, if after his entry or enlistment, in that part of the United Kingdom where the registered office of his Society is situate, and in any other case in England, and all persons entitled to benefits out of the Navy and Army Insurance Fund shall be deemed to reside in England.

(5) Discharge shall include transfer to reserve.

(6) This section shall not apply to a seaman, marine, or soldier enlisting before 16 until he attains 16.

(7) The provisions of this section shall apply to men belonging to the Naval Reserve during war or emergency, and to the Army Reserve when on permanent service, and to the Territorial Force when embodied.

(8) Where a man of the Naval Reserve, the Army Reserve, or Territorial Force is being trained and paid, while trained he shall be deemed in the sole employment of the Crown, but it shall not apply to a man who was not immediately before the training an insured person, except as specified in a Special Order.

Note.—Under the Bill as originally introduced 2d. was deducted from each man's pay and no benefits were given while in Service, and if invalided, sickness or disablement benefit of 5s. only was given, and then any Service pension was deducted, so that the actual benefit might have been only 1s. 6*d. a week. The provisions have been entirely re-modelled largely in consequence of amendments proposed by Mr. L. Worthington Evans. It will be observed that any pension can now be drawn in addition to any benefits due under the Act, and provision is made for guaranteed minimum benefits payable by the Navy and Army Fund, in case the health of a man prevents his joining a Friendly Society. A further amendment was moved on 7th November by Mr. L. Worthington Evans to give sickness benefit while in the*

Service equivalent to Hospital stoppage, but this was refused by the Government. Division No. 375. *There voted for,* 84; *against,* 187. *Government majority,* 103.

CLAUSE 47.—Special Provisions where Employer Liable to Pay Wages During Sickness.

(1) The Insurance Commissioners shall make special orders specifying any classes of employment in which a custom prevails for persons employed to receive full remuneration during periods of sickness or disablement, and if the custom is local, shall specify the localities. The order may contain provisions necessary to adapt the provisions of the Act to such cases.

(2) Any employer who employs such persons may give the Insurance Commissioners "the prescribed notice."

(3) The employer shall then be liable to pay full remuneration to such persons for six weeks in any one year during disease or disablement commencing while such person is in his employ, notwithstanding that he may have left his employment, but if the person is engaged for six months certain the employer shall be liable to pay full remuneration for any period of disease lasting less than six weeks as well as the first six weeks of any period of disease lasting more than six weeks, but not after the expiration of employment.

(4) The Act shall then apply subject to the following modifications:—

(a) Sickness benefit shall not be paid while full remuneration is payable.

(b) The employed rate shall be reduced by 2d. for men and 1½d. for women.

(c) The employers' contributions shall be reduced for men by 1d., for women by ½d., and the employed contributors' contributions shall be reduced by 1d.

(d) There shall be credited to the Approved Society of which such person is a member or if a deposit contributor to his account at the Post Office the 2d. for men and 1½d. for women, and it shall be treated as if expended on sickness benefit and the two-ninths payable by the State shall be added.

(e) Contributions shall not be payable for disease or disablement during the time full remuneration is payable if the prescribed notice has been given.

(f) The Rules of an Approved Society or an Insurance Committee as to notice of proof of disease or disablement shall apply.

(5) Where such a person becomes temporarily unemployed the reduced rate of contribution shall continue and sickness benefit shall not be payable for the first six weeks of any disease or disablement, but for the purposes of calculations shall be deemed to have been paid.

(6) Where such a person ceases to be employed and is entitled to become a voluntary contributor, the reduced rate of contribution shall continue and sickness benefit shall not be payable for the first six weeks of any disease or disablement, but for the purposes of calculations shall be deemed to have been paid, but every such person wishing to become an ordinary voluntary contributor may do so after payment of 26 weeks contributions at the full rate or of such less number of full contributions as his Society may agree.

(7) Any employers wishing to avail themselves of the provisions of this section as respects the persons employed by them in a class of employment or in a locality where no custom exists may apply to the Insurance Commissioners, who may make a special order after ascertaining the views of employed persons extending the provisions of this section to cover such persons.

(8) Any dispute as to whether an employer is entitled to avail himself of this section shall be determined by the Insurance Committee subject to appeal to the Insurance Commissioners.

(9) Payment of contributions purporting to be at the reduced rate shall be conclusive evidence of the liability of the employer as respects all persons employed by him in the same class of employment in the same locality under this section.

(10) An employer may give three months' notice to the Insurance Committee to withdraw as from the commencement of the next calendar year, when this section shall cease to apply.

(11) None of the provisions of this section shall apply to persons employed at less than 10s. a week.

(12) Nothing in this section shall relieve any employer from any legal liability to pay wages during sickness owing to custom.

Note.—This clause was not in the original Bill. It was added specially to provide for the case of Agricultural Labourers in Scotland and the North, where the employer now pays full wages during sickness. It may be of some use in the case of Hospital Nurses and some Domestic Servants, but it puts upon the employer a liability probably worth between 2d. and 3d. a week in exchange for a reduction of contribution by 1d. a week for men and ½d. a week for women, and in some cases it puts a liability on the employer to pay full wages after the employed person has left his service. Moreover, it can only be adopted if all persons employed in the particular class by the employer are included. The sickness rate of the younger people is much lower than that of the older people, and if widely adopted it may have the effect of rendering the employment of the older people less secure.

CLAUSE 48.—Special Provisions as to the Mercantile Marine.

The following provisions shall have effect in applying this Act to Masters, Seamen, and apprentices to the sea service and the sea fishery service.

(1) Sickness disablement and medical benefits shall not be paid to a master, seaman or apprentice suffering from any disease or disablement in respect of which the owner of a ship is under the Merchant Shipping Act, 1894, liable to pay for surgical and medical advice and attendance and medicine and maintenance, but for the purposes of calculations it shall be deemed to have been paid.

(2) In the case of a master, seaman and apprentice serving on foreign-going ships or ships engaged in regular trade on foreign stations the employed rate and the employers' contributions shall be reduced by 1d. a week, and every four weekly contributions shall be treated as five, provided that

(a) Nothing in this provision shall affect the number of employers' contributions to be paid in respect of such a master, seaman or apprentice, but no employers' contribution paid in

respect of any week in respect of which no contribution is payable by the master, seaman or apprentice shall be taken into account in reckoning the amount of his arrears.

(b) There shall be credited to the Approved Society of which the master, seaman or apprentice is a member or if a deposit contributor to the Post Office fund two-fifths of the contributions actually paid, and an equal sum shall be treated as having been expended on sickness benefit and two-ninths thereof accordingly paid by the State.

(3) A master, seaman or apprentice who is neither domiciled nor resident in the United Kingdom shall not be deemed to be employed, but the employer shall be liable to pay the same contribution except in cases where the ship is engaged in regular trade on foreign stations.

(4) The Board of Trade shall form a Society called "The Seamen's National Insurance Society" of which any master, seaman or apprentice to the sea service and the sea fishery service who are employed shall be entitled to become members, but such persons may join an Approved Society instead.

(5) The Seamen's National Insurance Society shall be managed by a Committee in accordance with a scheme prepared by the Board of Trade with the approval of the Insurance Commissioners comprising representatives of the Board of Trade , of ship owners, and of members of the Society in equal proportions. Such Society shall be an Approved Society.

(6) Employers' contributions in respect of aliens not deemed to be employed shall be credited to the Seamen's National Insurance Fund.

(7) In addition to medical, sanatorium, sickness, maternity and disablement benefits, members of the Seamen's National Insurance Society shall be entitled to such other benefits as may be provided by the scheme prepared by the Committee. Such other benefits shall include pensions for masters and seamen with long service; preference may be given to masters and seamen who have served in foreign-going ships or ships engaged in foreign trade over those who have served in the coasting and home trade ships proportionate to the length of time spent in foreign service.

Provided that

(a) The scheme shall provide for making a proper proportion of the sums credited to the Seamen's National Insurance Society applicable towards pensions or superannuation allowances granted by other Approved Societies to their members.

(b) In case of transfer the transfer value shall be calculated without reference to the pension liability.

(8) The rules of the Seamen's National Insurance Society shall provide for allowing a member who leaves the sea service and is unable to obtain admission to an Approved Society on account of his health to continue a member and to provide that the member shall not lose his right to pension because he has ceased to be a member at the time when the pension first became payable.

(9) If a master, seaman or apprentice is at the commencement of this Act a member of a Friendly Society, if his Society and the Seamen's National Insurance Society so agree he may join the Seamen's National Insurance Society for pension purposes only, and contributions shall be divided between the two Societies as they may agree.

(10) Definitions in the Merchants Shipping Acts, 1894 to 1907, shall apply to this section, but the expression "Foreign going ships" and "Home trade ships" include ships engaged in the sea fishery service, and the expression "Ships engaged in regular trade on foreign stations" means a ship engaged regularly in trade between ports outside the British Isles. Putting into port in the United Kingdom for survey or repairs shall not affect the definition.

(11) Provisions in the Act reducing the rate of contributions for employers and contributors in Ireland shall not apply to a master, seaman or apprentice unless he has a permanent place of residence in Ireland and is not a member of the Seamen's National Insurance Society. The employed rate and the employers' contributions are then to be reduced by ½d. a week.

(12) Members of the Seamen's National Insurance Society shall be deemed to reside in England. Medical and sanatorium benefits shall be administered by the Society instead of the Insurance Committee, and the Act is to be deemed to be modified accordingly, but the Society may make arrangements with the Insurance Committee for the administration of such benefits.

CLAUSE 49.—Provisions as to Men over 65 at Commencement of the Act.

(1) If a person who is of the age of 65 or upwards and under the age of 70 at the commencement of this Act is employed his employer shall pay until he attains the age of 70 the same contributions as if he were an employed contributor, and the provisions relating to payment of contributions and recovery thereof shall apply accordingly.

Note.—Under Clause 1 (4) *a person of* 65 *or upwards cannot be insured unless he was insured before that age.*

(2) The State shall contribute 2d. a week for every weekly contribution made by or in respect of such a person.

Note.—This is the only case in which two-ninths of the benefits are turned into an actual weekly contribution of 2*d.*

(3) If such a person is a member of an Approved Society all contributions shall be credited to his Society, and he shall be entitled to such benefits as the Society may determine. No reserve value shall be credited and no deductions made to redeem it.

(4) If such person does not become a member of an Approved Society he shall become a deposit contributor, and all contributions shall go to his credit in the Post Office Fund, but the benefits to which he becomes entitled shall be determined by the Insurance Committee.

(5) No part of the cost of benefits under this section shall be payable out of moneys provided by Parliament.

Note.—The 2d. weekly contribution mentioned in (2) *takes the place of the two-ninths benefit. This clause was not discussed in Committee or on Report owing to the Government closure.*

Under the Bill as introduced such a person over 65 *was not bound to pay contributions, but his employer*

was liable to contribute and his employer's contributions were to be dealt with "as may be prescribed."

The alteration has been made to fulfil a promise given by the Government to Mr. Worthington Evans, who moved an amendment to call attention to the hardship created by the original proposal.

CLAUSE 50.—Special Provisions as to Seasonal Trades.

Where it is proved to the satisfaction of the Insurance Commissioners that a trade or business is of a seasonal nature and subject to periodical fluctuations, and that the employer systematically employs persons throughout the year and works short time during the season when the trade or business is depressed, a special order may be made by the Insurance Commissioners reducing the employed rate and contributions payable during depression and increasing the rate and contributions correspondingly during the remainder of the year.

Note.—It will be observed that this clause only affects trades in which employers employ persons throughout the year. Apparently it will not afford relief to those trades which take on men and women for a few months in large numbers and then discharge them, even though those people get employment in other trades during other times of the year. This clause was not discussed either in Committee or on Report owing to the Government closure.

CLAUSE 51.—Special Provision as to Inmates of Charitable Homes.

(1) Where the managers of any institution carried on for charitable or reformatory purposes prove that the inmates receive maintenance and medical attendance when sick, the Insurance Commissioners may grant a certificate of exemption to those managers and the inmates shall not be deemed to be employed for the purpose of the Act, but it shall be a condition of exemption that the managers shall be liable to pay in respect of any inmate who has been an inmate for six months, on leaving the institution, the following sums:—

(a) In the case of a person below 16 at the time of entering the institution a capital sum sufficient to secure him benefits at the full rate.

(b) In the case of a person of 16 and upwards at the time of entering the institution a prescribed sum, equal to the value of the contributions which would have been payable in respect of him while in the institution.

(2) Every such inmate, if he was insured before entering the institution, shall be suspended from benefits while an inmate, and if he was a member of an Approved Society and has been in the institution more than six months, that time shall be disregarded for the purpose of arrears.

Note.—This clause was not discussed in committee, or on report, owing to the Government closure. Mr. Lloyd George promised to give relief to charitable homes, such as Homes for the Feeble-minded, Cripples, etc., and to exempt the inmates from contributions, but this clause puts upon the managers a liability which may well be several pounds on the average for each inmate leaving the institution.

CLAUSE 52.—Special Provision as to Persons becoming Certificated Teachers.

Where a person who has been employed as a teacher in a public elementary school ceases to be employed by reason of becoming exempted under the Elementary School Teachers' Superannuation Act, 1898 (see exemption D, part 2 of first schedule, page 71) and does not become a voluntary contributor, a prescribed sum equal to the value of contributions shall be transferred by his Approved Society, if he is a member of a Society, or by the Post Office fund if a deposit contributor to the Board of Education, which shall be placed by them to his credit in the Deferred Annuity Fund.

CLAUSE 53.—Application to Other Persons in the Service of the Crown.

(1) The Act shall apply to persons employed by or under the Crown, except those for whom special provision is made by the Act in like manner as if the employer were a private person; but in the case of a person employed in the private service of the Crown, the head of the department shall be deemed the employer.

(2) In case of persons employed by or under the Crown the reduced insurance, where the employer is liable to pay wages during sickness, shall apply where two-thirds only of the full remuneration is payable for three months instead of the full remuneration for six weeks.

Financial Provisions.

CLAUSE 54.—National Health Insurance Fund.

(1) All contributions and subsidies by Parliament shall be paid into the National Health Insurance Fund under the control of the Insurance Commissioners, and the sums required to meet expenditure incurred by Societies and Insurance Committees for the purposes of benefits and administration thereof shall be paid out of that Fund.

(2) Subsidies payable by Parliament shall be paid in such manner and at such times as the Treasury may determine.

(3) The Insurance Commissioners shall ascertain what sums standing in the National Health Insurance Fund to the credit of the several Societies and of the Post Office, and the Navy and Army Insurance Fund are available for investment, and the amount, except that required to be paid over to the Societies for investment, or to be retained on their behalf, or for the discharge of liabilities of Societies, shall be paid over to the National Debt Commissioners and by them invested in securities authorised as investments for Savings Banks Funds. Preference shall be given to the stock or bonds issued for the purposes of the Local Loans Fund, where such capital is required for the purposes of the Housing of the Working Classes Acts, 1890-1909. The National Debt Commissioners may make temporary investments.

(4) Interest at the prescribed rate shall be credited to the Post Office and the Navy and Army Insurance Funds on the sums standing to their credits.

(5) The Insurance Fund is subject to Treasury audit.

(6) An annual account of investments shall be submitted to Parliament.

CLAUSE 55.—Reserve Values.

(1) The Insurance Commissioners are to prepare Tables of the Sums referred to as " reserve values " necessary to meet the estimated loss arising from the acceptance of members over the age of 16 upon the terms of the act (i.e., as at the age of 16).

(2) On a person of 17 and upwards joining a Society the reserve value applicable to him shall be credited to the Society and bear 3 per cent. interest.

Note.—The Government actuaries estimate that the initial reserve values will amount to £66,642,900.

(3) The Insurance Commissioners shall retain out of each weekly contribution paid in respect of members of approved Societies other than a voluntary contributor who entered insurance within six months after the commencement of the Act, and was then aged 45 or upwards, 1 5/9ths of a penny for men and 1½d. for women, to repay the credits given to Societies for reserve values.

Note.—It would appear that a reserve value is also necessary for voluntary contributors in the circumstances stated, for such voluntary contributors are entitled to join at the employed rate, not at the rate for age: see Clause 5 (1)*—i.e., at the rate applicable to the age of* 16*, and therefore a reserve value is required by his society. It would appear that the negative has been left out of this clause in the hurry of passing it without discussion. The Government actuaries estimate that it will take* 18¼ *years to repay the initial reserve values.*

(4) The Insurance Commissioners shall apportion among the several societies, including the Navy and Army Insurance Fund, the sums retained by them in proportion to the amount of the reserve values credited to the Societies, and shall credit each Society with the amount so apportioned; any balance of the sums so credited after providing for interest shall be written off the amount of reserve value so credited.

(5) If any person is convicted of the offence of knowingly making a false statement as to his age for the purpose of obtaining a reserve value, the reserve value shall be cancelled and the member of the Society shall be treated as if he had entered into insurance after the expiration of one year from the commencement of the Act (i.e., he shall be made to pay the rate for age).

Note.—This clause was not discussed in Committee, or on report, owing to the Government closure.

CLAUSE 56.—Transactions between the Insurance Commissioners and Societies.

(1) The Insurance Commissioners shall make regulations with the approval of the Treasury for crediting and debiting the several Societies with the sums received and paid by the Insurance Commissioners. The regulations shall, amongst other things,

(a) Provide for crediting to each Society contributions of members after deducting the amounts retained for discharging reserve values.

(b) Requiring the Insurance Commissioners to pay over, or

at the request of the Society retain for investment, four-sevenths for men and one-half for women of the sums so credited.

(c) For crediting interest at a prescribed rate on sums to the credit of the Society in the investment account.

(d) Provide for the discharge of debit balances as the Insurance Commissioners may determine, either by reduction of the reserve values or out of the proceeds of realisation of securities, or out of sums standing to the credit of the Society; but in case of a Society which gives notice to the Insurance Commissioners, no part of the credit in the investment account shall be paid over to the Society or retained by the Commissioners; the whole shall remain to the credit of the Society in the investment account, and the foregoing provisions shall be modified by "regulations" accordingly.

(2) Every Approved Society shall invest any sums paid to the Society for investment in any securities authorised for Trust Funds, or in any stocks, mortgages, or other securities, issued by any Local Authority within the meaning of the Local Loans Act, 1875, and charged on the rates, or any other securities approved by the Insurance Commissioners.

(3) Where the Insurance Commissioners have, at the request of a Society, retained a sum for investment on behalf of the Society similar investments are authorised.

(4) Interest on investments shall be applied by the Society towards the cost of benefits and administration, or otherwise, as the Insurance Commissioners may "prescribe."

Insurance Commissioners Advisory Committee.

CLAUSE 57.—Constitution of Insurance Commissioners, Appointment of Inspectors, etc.

(1) Insurance Commissioners shall be appointed by the Treasury with a central office in London, and such branch offices as the Treasury may think fit; one Commissioner at least shall be a duly qualified medical practitioner, with personal experience of general practice.

(2) The Insurance Commissioners may sue and be sued by that name, and shall have an official seal; the seal shall be authenticated by any Commissioner, or the Secretary, or some person authorised by the Commissioners.

(3) The Insurance Commissioners may appoint officers, inspectors, referees, and servants to the number and at salaries to be determined by the Treasury, and they shall be paid out of moneys provided by Parliament. Valuers and Auditors appointed by the Treasury shall also be similarly paid.

(4) Every document sealed with the seal of the Commissioners and authenticated shall be received in evidence without further proof.

(5) The Insurance Commissioners may empower any inspector to exercise in respect of any Approved Society, or any branch, all or any of the powers given by Section 76 of the Friendly Societies Act, 1896. Any complaint or report as to any branch made by an inspector shall be communicated to the Central Body of the Society.

Note.—This clause was not discussed in Committee or on report owing to the Government closure.

CLAUSE 58.—Appointment of Advisory Committee.

The Insurance Commissioners shall appoint an Advisory Committee for the purpose of assisting in making regulations. The Committee shall consist of representatives of associations of employers and Societies, of duly qualified medical practitioners with experience of general practice, and such other persons as the Commissioners may appoint, of whom two at least shall be women.

Note.—This clause was not discussed in Committee or on report owing to the Government closure.

Insurance Committees.

CLAUSE 59.—Appointment of Insurance Committees.

(1) An Insurance Committee shall be constituted for every county and county borough.

(2) The Insurance Commissioners may fix the number of the Committee, not being less than 40 nor more than 80, made up as follows:—

(a) Three-fifths shall be appointed "as may be prescribed" by regulations of the Insurance Commissioners so as to secure representation of insured persons resident in the county or county borough who are members of Approved Societies, and who are deposit contributors in proportion to their respective numbers.

(b) One-fifth shall be appointed by the council of the county or county borough.

(c) Two members elected in manner provided by regulations made by the Insurance Commissioners, either by any association of duly qualified medical practitioners, or if no such association has been formed by such practitioners.

(d) One member, or, if the Committee is sixty or upwards, two members, or if the Committee is eighty, three members shall be duly qualified medical practitioners appointed by the Council of the county or county borough.

(e) The remaining members shall be appointed by the Insurance Commissioners provided that

(i) The regulations respecting the appointment by insured persons shall provide for conferring on the approved Societies the power of appointing representatives, and if there is an association of deposit contributors upon that association the power of appointing representatives of deposit contributors.

(ii) Of the members appointed by the Council of the county or county borough two at least shall be women, and of the members appointed by the Insurance Commissioners one at least shall be a duly qualified medical practitioner, and two at least shall be women.

(3) The Insurance Commissioners may, where any part of the cost of medical benefit or sanitorium benefit is defrayed by the Council, increase the representation of the Council and diminish the representation of insured persons.

(4) The Insurance Commissioners may make regulations as to

the proceedings of the Committee, including the appointment of sub-committees, consisting wholly or partly of members of the Committee, and the employment of officers, and the provision of offices, including the use with or without payment of any offices of a local authority with the consent of such authority, and such regulations may provide for the constitution of district Insurance Committees and apportioning among them any of the powers and duties of the Insurance Committee, and regulating their relations, provided that the regulations shall require the Insurance Committees of every county (except where the Commissioners think it unnecessary) within six months after the commencement of the Act to prepare a scheme, after consultation with the County Council, and submit it for approval to the Insurance Commissioners for the appointment of district Insurance Committees for the county, and prescribing the area to be assigned to each Committee. The scheme shall provide for the appointment of a district Insurance Committee for each Borough (including the City of London and Metropolitan Boroughs) within the county having a population of not less than 10,000, and for each urban district with a population of not less than 20,000; but if the Insurance Committee, or, on appeal, the Insurance Commissioners, consider it expedient adjoining areas may be grouped with any borough or urban district outside London.

(5) Any Insurance Committee may, and shall, if required by the Insurance Commissioners, combine with any other Insurance Committee.

CLAUSE 60.—Powers and Duties of Insurance Committees.

(1) The Insurance Committee of a county or county borough shall, in addition to other powers and duties conferred or imposed on it by this Act, have the following powers and duties:—

(a) It shall make reports as to the health of insured persons as the Insurance Commissioners after consultation with the Local Government Board, may "prescribe," and shall furnish to them such statistical and other returns as required, and make reports on the health of such persons and suggestions thereon, and the Insurance Commissioners shall forward the reports and returns to the councils of county boroughs and urban and rural districts affected.

(b) Shall make provision for giving lectures and the publication of information on health questions, and may make arrangements with the Local Education Authorities, Universities, and other institutions, for that purpose.

(c) Shall keep proper books and accounts in the prescribed form subject to audit by the Treasury Auditors.

(2) For the purpose of assisting Insurance Committees, and with a view of promoting co-operation between committees and councils, any medical officer of health may, with his council's consent, at the request of the Insurance Committee, attend their meetings and give advice and assistance.

(3) In this section the council of a borough includes the Mayor, Aldermen, and Commoners of the City of London, and the council of a metropolitan borough.

Note.—This clause was not discussed in Committee or on report owing to the Government closure.

CLAUSE 61.—Income.

(1) All sums available for sanatorium benefit, and all sums paid for the purpose of medical benefit and administrative expenses, shall be paid or credited to the Insurance Committee at the commencement of the year.

(2) One penny in every year for each member of an Approved Society having members resident in the county or county borough shall also be paid to the Insurance Committee, but if the special circumstances of any county are such that the Insurance Commissioners consider that the travelling expenses of the members of the Committee should be repaid to them, the Insurance Commissioners may increase the penny to such sum, not exceeding twopence, as they may determine.

(3) Any Local Authority, out of any fund or rate out of which the expenses of the Authority are payable, may subscribe such sums as they think fit towards the General Purposes of the Insurance Committee.

Note.—This clause was not discussed in Committee or on report owing to the Government closure.

CLAUSE 62.—Local Medical Committees.

(1) Where a Local Medical Committee has been formed for any county or county borough, or for the area of any district committee, the Insurance Commissioners shall recognise such Committee if they are satisfied that it is representative of the duly qualified medical practitioners there resident. When recognised the Local Medical Committee shall, subject to "regulations made by the Insurance Commissioners," be consulted by the Insurance Committee, or District Committee, on general questions affecting the administration of medical benefit, including the arrangements made with medical practitioners for attending insured persons, and shall perform such other duties, and shall exercise such powers, as may be determined by the Insurance Commissioners.

Note.—This clause was not discussed in Committee or on report owing to the Government closure.

Excessive Sickness.

CLAUSE 63.—Power to Approved Societies and Insurance Committees to demand Inquiries into causes of Excessive Sickness, etc.

(1) If the Insurance Commissioners, or a Society, or the Insurance Committee, allege that there is excessive sickness, and that such excess is due to the condition or nature of employment, or to bad housing, or insanitary conditions, or to insufficient or contaminated water supply, or to the neglect of any persons or authority to observe the provisions of any Act relating to the health of workers in factories, workshops, mines, quarries, or other industries, or relating to public health or housing, or to enforce any public health precautions, the body making such allegation may send to the person or authority alleged to be in default a claim for payment of any extra expenditure alleged to be caused by the default; and failing agreement, the Commissioners, Society, or Committee may apply to the

Secretary of State or the Local Government Board for an inquiry, whereupon a competent person may be appointed to hold an inquiry.

(2) If it is proved to the satisfaction of the person holding the inquiry that the amount of such sickness has

(i) During a period of not less than three years before the date of the inquiry, or

(ii) If there has been an outbreak of any epidemic, endemic, or infectious disease during any less period,

been in excess of the average expectation of sickness by more than 10 per cent., and that the excess was caused by any of the reasons complained of, the extra expenditure so found shall be made good as follows :—

(a) Where the employer is at fault, by the employer.

(b) Where it is due to bad housing, or insanitary conditions, or to neglect by a Local Authority, by the Local Authority held liable by the person holding the inquiry; or if due to the insanitary conditions of any particular premises, either by such Local Authority, or by the owner, lessee, or occupier of the premises held responsible.

(c) Where due to water supply, by the Local Authority, Company, or person supplying the water, unless the latter proves that it arose from circumstances over which he has no control.

(3) The owner, lessee, or occupier may be called upon to repay the Local Authority, after notice given, if the person holding the inquiry so orders.

(4) The average expectation of sickness shall be calculated in accordance with Tables prepared by the Insurance Commissioners, but any excessive sickness attributable to disease or to disablement, for which damages or compensation are payable, shall not be taken into account.

(5) The Insurance Commissioners may make regulations as to the procedure or Inquiries under this section, and the person holding the Inquiry shall have such powers as an inspector of the Local Government Board under the Public Health Acts, and power to award costs; but if the person holding the inquiry certifies that the demand for an inquiry was reasonable, the Society or Committee shall not be ordered to pay costs, but such costs may be repaid by the Treasury.

(6) Any sum ordered to be paid by a Local Authority may be paid out of the Local Taxation Account, and deducted from any sums payable to the Local Authority.

(7) Any sum payable to an Insurance Committee shall be dealt with for the benefit of deposit contributors in accordance with regulations to be made by the Insurance Commissioners.

(8) Any sums payable to the Insurance Commissioners shall be used for discharging expenses incurred by the Commissioners under this section, and the balance shall be distributed amongst the Societies and Committees which appear to the Commissioners to have incurred extra expense on account of excessive sickness.

(9) Where an association of deposit contributors has been formed the Insurance Committee representing it shall, if required by the Association, take proceedings on its behalf and at its expense.

Supplementary Provisions.

CLAUSE 64.—Erection of or Making Grants in Aid of Sanatoria, etc.

(1) The Local Government Board may, with the consent of the Treasury, make grants for the purpose of the provision of sanatoria and other institutions for the treatment of Tuberculosis, and such other diseases as the Local Government Board, with the Treasury, may approve; such sums shall be apportioned between England, Wales, Scotland, and Ireland in proportion to their respective populations in the census of 1911.

(2) If any grant is made to a county council, the Local Government Board may authorise the county council to provide any such institution and to erect buildings, and any expenses of a county council not defrayed out of the grant shall be defrayed out of the county funds as an expense for general county purposes; or, if a Local Government Board so order, shall be charged on such part of the county as may be provided by the order.

(3) The Local Government Board may, by Order, make provision for the joint exercise by county councils, and other Local Authorities not being Poor Law Authorities, of the powers given, and for joint committees, etc., and for apportioning the expenses.

(4) An Insurance Committee may, with the consent of the Insurance Commissioners, enter into agreements with any person or authority, other than a Poor Law Authority, for providing treatment in a sanatorium or other institutions of persons recommended by the Committee for sanatorium benefit and contribute out of the funds available for sanatorium benefit towards the maintenance and provision of such treatment, such agreement to be binding upon the Committee and its successors; any sums payable shall be deducted by the Insurance Commissioners from the sums payable to the Committee for the purposes of sanatorium benefit.

CLAUSE 65.—Power to Insurance Commissioners to make Regulations.

The Insurance Commissioners may make regulations for any of the purposes of this Act, or the Schedules, and for prescribing anything under this Act or its Schedules; any regulations so made shall be laid before both Houses of Parliament as soon as they are made and shall have effect as if included in this Act, provided, if an Address is presented by either House within the next subsequent twenty-one days on which that House has sat next after any such regulation is laid before it, praying that the regulation may be annulled, His Majesty in Council may annul the regulation, which shall thenceforth be void without prejudice to the validity of anything previously done thereunder.

CLAUSE 66.—Determination of Questions by Insurance Commissioners.

(1) If any question arises

(a) As to whether any employment or class of employment is employment within the meaning of the Act, or whether a person is entitled to become a voluntary contributor, or

(b) As to the rate of contributions for any insured person, or

(c) As to the rate of contributions payable in respect of an employed contributor by the employer or the contributor respectively, the question shall be determined by the Insurance Commissioners in accordance with the regulations, provided that

(i) Any person aggrieved by a decision of the Insurance Commissioners on any question arising under paragraph (a) may appeal to the county court, with a further appeal, on any question of law, to a High Court Judge, whose decision shall be final.

(ii) The regulations of the Insurance Commissioners may provide for questions under paragraph (b) being determined in the case of any person who is or is about to become a member of an Approved Society by the Society.

(iii) The Insurance Commissioners may submit the question whether any class of employment is employment within the meaning of the Act to the High Court for summary decision, and the Court, after hearing such parties and evidence as it thinks fit, shall give a final decision.

(2) This section shall come into operation on the passing of the Act.

CLAUSE 67.—Disputes.

(1) Subject to the provisions of the foregoing section, every dispute between:—

(a) An Approved Society, or branch, or an insured person, or any person claiming through him;

(b) An Approved Society or branch, or any person who has ceased to be a member, or any person claiming through him;

(c) An Approved Society and any branch thereof;

(d) Two or more branches of an Approved Society

relating to anything done, or omitted under the Act, or any regulation shall be decided in accordance with the rules of the Society; but any party may, "as may be prescribed," appeal from such decision to the Insurance Commissioners.

(2) Every dispute between an insured person and the Insurance Committee shall be decided "in the prescribed manner" by the Insurance Commissioners.

(3) The Insurance Commissioners may authorise referees to decide any appeal or dispute.

(4) The Insurance Commissioners may make regulations as to the procedure on an appeal or dispute; such regulations may apply the Arbitration Act, 1889, and, except as it may be so applied, it shall not apply. Any decision given by the Insurance Commissioners or a referee shall be final and conclusive.

CLAUSE 68.—Protection against Distress and Execution in Certain Cases.

(1) If a medical practitioner attending an insured person in receipt of sickness benefit certifies that life would be endangered by levying any distress or execution, or taking any proceedings in ejectment, or for rent, or for enforcing any judgment, and such certificate

has been sent to the Insurance Committee and recorded, it shall not be lawful during any period named in the certificate for such proceedings to be taken against the insured person, with an appeal to the Registrar of the county court, who may make an Order cancelling or modifying the certificate without further appeal.

(2) A certificate shall continue in force for one week or less, and may be renewed week by week up to three months, and must be recorded; but the protection shall not extend beyond one month unless security, to be determined by the Registrar, is given, if demanded.

(3) Any person contravening this section is liable on summary conviction to a fine not exceeding £50.

(4) A certificate, or renewal, shall be forthwith sent to the Insurance Committee, and the register shall be open to inspection.

(5) Time shall be extended for executing a warrant accordingly.

Note.—This clause was not discussed in Committee or on report, owing to the Government closure. The clause is entirely new, and is substituted for one originally introduced, under which the certificate might have been extended for twelve months, and in any case lasted while an insured person was in receipt of sickness benefit and for fourteen days after. An occupier of a house may continue to receive the rent from his lodger while he is protected from having to pay rent; and equally a lodger may be protected from having to pay rent while the occupier is called upon to pay his own rent.

CLAUSE 69.—Offences.

(1) Any person knowingly making a false statement or false representation for the purpose of obtaining a benefit shall be liable on summary conviction to imprisonment for not more than three months with or without hard labour.

(2) If an employer has failed to pay any contributions, or if any employer, insured person, or other person is guilty of any contravention or non-compliance with the Act or the regulations in respect of which no special penalty is provided, he shall be liable to a fine not exceeding £10, and to make good the amount of contributions he is liable to pay. No person is liable to a penalty if he has acted in accordance with any decision given by the Insurance Commissioners, or by the Insurance Committee if the latter is competent to decide.

Note.—This clause was not discussed in Committee or on report, owing to the Government closure.

CLAUSE 70.—Civil Proceedings against an Employer for Neglecting to Pay Contributions.

(1) If an employer neglects to pay any contribution due in respect of a member of an Approved Society he may, at the instance of that member, be ordered to pay to the Insurance Commissioners a sum equal to the value of the benefits, which sum is to be credited to the Society. An insured person is to continue to be entitled to benefit as if he was not in arrear.

(2) The remedy under this Clause and Clause 69 may be pursued at the same time.

Note.—This clause was not discussed in Committee or on report, owing to the Government closure.

CLAUSE 71.—Repayment of Benefits Improperly Paid.

Any person who has improperly received benefits is liable to repay to the Insurance Commissioners, as a debt due to the Crown, the amount to be credited to his Society or to the Post Office Fund.

Note.—This clause was not discussed in Committee or on report, owing to the Government closure.

CLAUSE 72.—Provisions as to Application of Existing Funds of Friendly Societies. (Verbatim.)

1. Every Registered Friendly Society which provides benefit similar to any of those conferred by this part of this Act, shall submit to the Registrar of Friendly Societies a scheme for continuing, abolishing, reducing, or altering, such benefits as respects the members who become insured persons, and for continuing, abolishing, or reducing the contributions of such members so, however, that the combined effect of the alteration of the benefits and contribution shall not prejudicially affect the solvency of the Society, and if the scheme or a supplementary scheme shows on actuarial valuation that owing to the alterations in the benefits and contributions effected by the scheme any part of the existing funds of the Society is set free as not being required to meet the liabilities of the Society, the scheme, or supplementary scheme, shall provide for the application of the part of the funds so set free in any one or more of the following ways:

(a) Towards the cost of the provision of other or increased benefits payable by the Society independently of this part of this Act to existing members, whether insured persons or not.

(b) In reduction of the contributions payable by such members in respect of the benefits payable by the Society independently of this part of this Act.

(c) Towards the payment or repayment of contributions payable under this part of this Act by such of its existing members as are entitled, and elect to receive benefits under this part of this Act through the Society.

(2) This section shall apply to branches of Registered Societies in like manner as to Societies; provided that a Society with branches may, if it so desires (subject always to the exercise of any right of a branch expressly conferred by the rules of the Society to dispose of any of its funds, or the benefits solely of the members of the branch), submit a scheme applicable to all its branches, and it shall be competent for the society to provide by its scheme, or supplementary scheme, for the application of the whole, or any part of any sums so set free towards the discharge of any deficiencies of any of its branches which may be found to exist on such actuarial valuation as aforesaid.

(3) Any scheme adopted by a Society, or branch of a Society, in accordance with its rules when confirmed by the Registrar of Friendly Societies shall be deemed to be incorporated in the registered rules of the Society or branch, and may be amended accordingly, so, however, that no amendment shall be inconsistent with the provisions of this section.

(4) This section shall apply to Seamen, Marines, and Soldiers, from whose pay deductions are made under this part of this Act as

if they were insured persons, and for the purposes of this section "existing" means existing at the passing of this Act.

(5) This section shall come into operation on the passing of this Act.

CLAUSE 73.—Provisions as to Existing Employers' Provident Funds.

(1) Where, at the passing of this Act, a superannuation or other Provident Fund has been established by one or more employers, the provisions of Clause 72 shall apply, with the necessary adaptations; and if the Fund provides benefits similar to those conferred by this Act, the scheme may provide for allowing the employer to deduct any contributions payable by him for similar benefits from his contributions under the Act.

(2) Where it is proved to the satisfaction of the Insurance Commissioners that the re-arrangements required in consequence of the Act will, upon valuation of the Fund, affect prejudicially the sum available for Pensions, or Superannuation allowances, the Commissioners may grant a certificate allowing the value of the prospective extension of benefits to be taken into account.

CLAUSE 74.—Provisions as to Minors who are Members of Approved Societies.

Any member of an Approved Society who is a minor may execute all instruments and receipts, but shall not be a member of a Committee, or Trustee, Manager, or Treasurer of a Society or branch.

CLAUSE 75.—Power of Societies to Register under Friendly Societies Act, 1896.

Notwithstanding that the contributions are not voluntary, any Society carrying on business under this Act may, after the passing of this Act, be registered as a Friendly Society, under the Friendly Societies Act, 1896.

CLAUSE 76.—Acts of Parliament to Apply to Approved Societies and Sections.

(1) Except so far as may be inconsistent with this Act, any business transacted under this Act by an Approved Society shall be treated as part of the ordinary business transacted by Societies of the class to which that Society belongs, and any enactment applying to the Society in relation to the transaction of such ordinary business shall apply accordingly in relation to the business transacted by the Society under this Act.

(2) This clause shall apply to an Approved Society which is a section of another Society subject to the necessary adaptation.

CLAUSE 77.—Powers of the Local Government Board.

(1) The Local Government Board may, for the purposes of their powers and duties under this Act, hold such Local Inquiries and Investigations as they think fit, and their Inspectors shall have similar powers to those under the Public Health Acts, and the expenses of such Inquiries (including the salary of an Inspector, not exceeding three guineas a day) shall be paid by such Authorities and persons as the

Board may direct, and the Board may certify the amount of the expenses so incurred, and it shall be recoverable as a debt due to the Crown, provided that this provision shall not apply to Inquiries with respect to the responsibility for excessive sickness.

(2) Any approval given by the Local Government Board may be given for a term, and may be withdrawn.

(3) The Local Government Board may make it a condition of an approval, or grant of money to be made, that the Board shall have such powers of inspection as may be agreed.

Note.—This clause was not discussed in Committee or on report, owing to the Government closure.

CLAUSE 78.—Power to Remove Difficulties.

The Insurance Commissioners, with the consent of the Treasury, may, by Order, do anything which appears to them necessary or expedient for the establishment of Advisory Committees, or for bringing this Act into operation, and any Order may modify the provisions of this Act so far as may appear necessary or expedient for carrying this Order into effect. The powers shall not be exercised after the 1st January, 1914.

Note.—An amendment was moved by Mr. Worthington Evans on 10th November to omit the words empowering the Commissioners "to modify the provisions of the Act." This Amendment was refused, Division No. 383. There voted for, 77; and against, 150; Government majority, 73. The wide powers given to the Commissioners include the power to modify the provisions of the Act. The only limit to which the Government would consent was the time limit, the 1st January, 1914, which was inserted in Committee.

CLAUSE 79.—Interpretation.

For the purposes of this part of this Act, unless the context otherwise requires:

The expression "branch" in relation to a Society shall not include any branch of the Society which is not itself separately registered.

The expression "disease or disablement" means such disease or disablement as would entitle an insured person to sickness or disablement benefit.

The expression "dependants" in relation to any person includes such persons as the Approved Society or Insurance Committee shall ascertain to be wholly, or in part, dependent upon his earnings.

A person whose normal occupation is employment within the meaning of this part of this Act shall, for the purpose of reckoning the number and rate of contributions, be deemed to continue to be an employed contributor, notwithstanding that he is temporarily unemployed; but if such period of unemployment extend beyond twelve months, he shall not continue to be an employed contributor, unless the Approved Society of which he is a member, or, if he is not a member of such Society, the Insurance Committee is satisfied that his unemployment is due to inability to obtain employment, and is not due to any change in his normal occupation.

The suspension of a member of an Approved Society from benefits under this part of this Act shall not be deemed to deprive the member of his membership; "membership of an Approved Society" means membership for the purposes of this part of this Act.

The expression "valuer" means a person possessing actuarial qualifications as may be approved by the Treasury.

The expression "county" means administrative county.

The Scilly Isles shall be deemed to be a County, and the Council of these Isles the Council of a County, but the Insurance Committee for the Scilly Isles shall be constituted in such manner as the Insurance Commissioners prescribe.

Monmouthshire shall be deemed to form a part of Wales.

A person shall be deemed, according to the law in England, Wales, and Ireland, as well as according to the law in Scotland, not to have attained the age of seventeen until the commencement of the seventeenth anniversary of the day of his birthday, and similarly with respect to other ages until his next subsequent birthday.

CLAUSE 80.—Application to Scotland.

Makes provision for applying the Act to Scotland. Scottish Insurance Commissioners are set up with a central office in Edinburgh, and with such branches in Scotland as the Treasury may think fit. A separate Scottish National Health Insurance Fund is constituted under the control and management of the Scottish Insurance Commissioners to receive all contributions and the State subsidy in respect of insured persons resident in Scotland.

CLAUSE 81.—Application to Ireland.

Makes provisions for applying the Act to Ireland. Irish Insurance Commissioners are set up with a Central Office in Dublin, and with such branch offices in Ireland as the Treasury may think fit. A separate Irish National Health Insurance Fund is constituted under the control and management of the Irish Insurance Commissioners to receive all contributions and the State subsidy payable in respect of insured persons resident in Ireland.

Note.—It may be observed that the contributions in Ireland are 1½d. a week less than the contributions in England, and that no medical benefit is given; nevertheless the State subsidy is to be made up to what it would have been if medical benefit were given. It will also be observed that out-workers are differently treated in Ireland. All out-workers, whose wages or remuneration derived from the employment are not the principal means of livelihood of the persons employed, are excluded from the operation of the Act, whereas only such out-workers as are married women are excluded in England. Irish migratory labourers employed in harvesting and other agricultural work, and those not employed during 26 weeks in the year, are also excluded from the Act.

CLAUSE 82.—Establishment of Commissioners for Wales.

Welsh Insurance Commissioners are constituted with a Central Office in such town in Wales as the Treasury may determine, and

with such branch offices in Wales as the Treasury may think fit. A Welsh National Health Insurance Fund under the control and management of Welsh Insurance Commissioners is set up to receive all contributions and the State subsidy in respect of insured persons resident in Wales.

Note.—This clause was not discussed in Committee or on report owing to the Government closure.

CLAUSE 83.—Joint Committee of Commissioners.

(1) A Joint Committee of the several bodies of Commissioners shall be constituted in accordance with regulations made by the Treasury consisting of such members of each body of Commissioners selected in such manner as may be provided by the Regulations, and of a Chairman and other members, not exceeding two, to be appointed by the Treasury; the Chairman shall not, by reason of his office, be incapable of being elected to, or voting in, the Commons House of Parliament.

(2) The Joint Committee may make such financial adjustments as may be necessary between the several National Health Insurance Funds, and shall exercise such powers and duties of the several bodies of Commissioners, either alone or jointly, with any such bodies as may be provided in such Regulations.

(3) The powers of the Joint Commissioners shall include the power of making Regulations as to the valuation of Societies and branches, which have amongst their numbers persons resident in England, Scotland, Ireland, and Wales, or any two or three of such parts of the United Kingdom, and the Regulations so made shall require that, for the purposes of the provisions of this part of this Act relating to valuation surpluses, deficiencies, and transfers, the members resident in each such part shall be treated as if they formed a separate Society,

(4) Regulations under this Section shall be laid before Parliament, and if an Address is presented by either House within the next subsequent twenty-one days on which that House has sat, the Regulation may be annulled without prejudice to the validity of anything previously done.

Note.—This clause was not discussed in Committee, or on report, owing to the Government closure. The separation of the National Insurance Fund into the four National Sections, a separation made owing to pressure from Mr. Redmond, is calculated to unnecessarily harass the work of large affiliated Friendly Societies and the Trade Unions. The Secretary of the Trade Unions Federation, in an appeal for amendment of these clauses, wrote as follows:—"In the Trade Union movement we have little use for that kind of national sentiment which manifests itself in the creation of divisions between people whose industrial interests are identical, and which proposes to set up anomalies between one country and another. What the workers need is solidarity rather than nationality."—Times, *Dec.* 4, 1911.

PART II.

Unemployment Insurance.

CLAUSE 84.—Right of Workmen in Insured Trades to Unemployment Benefit.

Every workman who being employed in an insured trade is unemployed shall be entitled (subject to the statutory conditions) to receive unemployment benefit so long as he is not disqualified.

The insured trades are set out in the sixth schedule (see page 78) and the rates and some of the conditions of benefit are set out in the seventh schedule (see page 78). Other conditions of benefit are set out in Clause 86 (see below).

No unemployment benefit shall be paid during six months from the commencement of the Act.

Note.—The Government actuary reports that the total number of workmen expected to be insured is 2,511,500.

CLAUSE 85.—Contributions by Workmen, Employers, and the Treasury.

(1) Unemployment benefit is to be derived from contributions by workmen, employers, and the State.

(2) The rates of contributions are specified in the eighth schedule (see page 79).

(3) Except where Regulations otherwise prescribe, the employer pays his own and the workman's contributions, and deducts the workman's contribution from his wages.

(4) An employer must not deduct his own contribution from the wages.

(5) The Board of Trade may make Regulations in particular for

(a) The payment of contributions by stamps on books or cards.

(b) The issue, sale, custody, production and replacement of books or cards.

(6) The State contribution is to be equal to one-third of the total contributions received from employers and workmen, and is to be payable how and when the Treasury determines.

Note.—The Government actuary reports that the average contributions are as follows:—

	s.	d.	
From the workman...	9	2	a year
From the employer ...	7	10	,, ,,
From the State	6	$1\frac{1}{3}$	,, ,,
	23	$1\frac{1}{3}$	

CLAUSE 86. —Statutory Conditions for Receipt of Unemployment Benefit.

The statutory conditions for the receipt of unemployment benefit by any workman are

(1) That he proves that he has been employed as a workman in

an insured trade for 26 separate calendar weeks in the preceding five years.

(2) That he has made application for unemployment benefit in "the prescribed manner," and proves that since the date of his application he has been continuously unemployed.

(3) That he is capable of work and unable to obtain suitable employment.

(4) That he has not exhausted his right to unemployment benefit.

Note.—It will be remembered that no workman may receive more than 15 *weeks' benefit in* 12 *months, or more than one week's benefit for every five weeks' contributions.*

A workman is not disqualified because he has declined

(a) A situation vacant owing to a trade dispute.

(b) Employment in his district at a lower rate of wage than his usual rate, or on conditions less favourable.

(c) Employment in another district at a lower rate than generally observed in such district by agreement between Associations of employers and of workmen or by good employers or on conditions less favourable.

CLAUSE 87.—Disqualifications for Unemployment Benefit.

(1) A workman who has lost his employment owing to a trade dispute at the premises at which he was employed shall be disqualified from receiving unemployment benefit while the stoppage of work continues, except where he has become bona-fide employed elsewhere in an insured trade. Where separate branches of work commonly carried on as separate businesses in separate premises are in any case carried on in separate departments on the same premises each department shall be considered separate, though they are carried on in the same premises.

(2) A workman who loses employment through misconduct or voluntarily leaves his employment without just cause is disqualified for six weeks.

(3) A workman is disqualified while an inmate of a prison, workhouse, or other institution supported wholly or partially out of public funds, and whilst he is abroad.

(4) A workman is disqualified from receiving unemployment benefit while he is in receipt of any sickness or disablement benefit, or disablement allowance under Part I. of this Act.

Note.—Disablement allowance may be given while a man is partially incapacitated, and he may be receiving it while he is employed in an insured trade. It is quite unfair that he should be in that case disqualified from receiving unemployment benefit. The disablement allowance may be 2*s. a week, and by reason of it he may lose* 7*s. a week.*

This sub-section was altered at the last moment by the Government without the possibility of effective discussion in the House of Commons.

CLAUSE 88.—Determination of Claims.

(1) All claims for unemployment benefit are to be determined by Insurance Officers,

Provided that

(a) A workman may require the Insurance Officer to report

the matter to a Court of Referees. In case of disagreement between the Referees and the Insurance Officer there is an appeal to an Umpire, whose decision shall be final.

(b) An Insurance Officer may refer a case to a Court of Referees, whose decision shall be final.

(2) Decisions may be reviewed on new facts.

(3) The Arbitration Act shall not apply, but may be applied by Regulations.

(4) Regulations may apply the Common Law Procedure (Ireland) Act to Ireland.

CLAUSE 89.—Appointment of Umpire, Insurance Officers, Inspectors, etc.

(1) An Umpire may be appointed by His Majesty, and the Board of Trade, with the consent of the Treasury as to number, shall appoint Insurance Officers.

(2) The Board of Trade may appoint other Officers, Inspectors, and Servants with the sanction of the Treasury, and such salaries may be paid as the Treasury determine.

The expenses of the Board of Trade are to be paid out of moneys provided by Parliament, provided that not more than one-tenth of the receipts from contributions shall be applied in accordance with Regulations to be made by the Treasury as an appropriation in aid of the expenses.

CLAUSE 90.—Courts of Referees.

(1) A Court of Referees shall consist of one or more members chosen to represent employers with an equal number to represent workmen, and a Chairman appointed by the Board of Trade.

(2) Panels of employers and workmen's representatives shall be constituted by the Board of Trade for districts and groups of trades, and the members of a Court shall be selected from those panels "in the prescribed manner."

(3) The constitution of the Court shall be determined by Regulations to be made by the Board of Trade.

(4) Regulations of the Board of Trade may provide for reference to the Referees for consideration and advice of questions of administration of the Act.

(5) The Board of Trade may pay a remuneration to the Referees, and travelling and other allowances and compensation for loss of time to persons required to attend a Court. Such payments are to be treated as expenses of the Board of Trade.

CLAUSE 91.—Regulations.

(1) The Board of Trade may make Regulations for any of the purposes of this Act or its schedules and for prescribing anything to be done thereunder, and

(a) For permitting workmen employed under the same employer partly in an insured trade and partly not in an insured trade to be treated with the consent of the employer as if they were wholly employed in an insured trade, and

(b) For obtaining a decision of the Umpire whether any workman or class of workmen are liable to contributions.

(c) For prescribing the evidence required before receipt of unemployment benefit and requiring the attendance of workmen at the offices, and

(d) For prescribing how claims are to be made and questions determined by Insurance Officers, Courts of Referees, Umpires, etc., and providing for a deputy Umpire.

(e) With respect to the payment of contributions and benefits pending decision of any disputed claim.

(f) For providing that the chief employer shall be treated as the employer of ganger's men, and providing for payment and deduction of contributions.

Generally for carrying this part of this Act into effect, and any Regulations so made shall have effect as if enacted in this Act. Any regulations for obtaining the decision of an Umpire may be brought into operation after the passing of the Act.

(2) Regulations may provide for payment of unemployment benefit through the Post Office.

(3) All Regulations under this section shall be laid before each House of Parliament when made, and if an address is presented by either House within the next subsequent 40 days on which that House has sat, the Regulations may be annulled without prejudice to acts previously done.

CLAUSE 92.—Unemployment Fund.

(1) The Board of Trade shall establish an unemployment fund into which all contributions are to be paid, and out of which all benefits and any other payments are to be payable.

(2) Provides for Treasury audit of accounts.

(3) Provides that the National Debt Commissioners shall invest surplus funds in securities authorised for Savings Banks moneys.

(4) An annual account of investments is to be submitted to Parliament.

CLAUSE 93.—Treasury Advances.

(1) The Treasury may advance not exceeding three million pounds on security of the unemployment fund.

(2) If whilst any advance is outstanding it appears to the Treasury that the unemployment fund is insolvent, the Board of Trade shall, if the Treasury so direct by order, modify the rates of contribution or modify the rates and periods of unemployment benefit to secure the solvency of the fund. No order shall reduce the unemployment benefit below 5s. a week or shall increase the rate of contribution more than 1d. a week equally between employer and workman. No order shall remain in force longer than three months after all advances and interest have been repaid, or come into force within one month after it is made.

(3) One order only shall be in force at any one time.

(4) On any such order being made the Board of Trade shall cause the order, together with the special report, with the reasons for making the order, to be laid before Parliament.

(5) The Treasury may borrow by means of Exchequer Bonds or Treasury Bills.

(6) Exchequer Bonds shall be charged on the Consolidated Fund.

(7) Moneys in the hands of the National Debt Commissioners shall not be applied in redemption of the Exchequer Bonds or Treasury Bills issued under this section.

CLAUSE 94.—Refund of Part of Contributions Paid by Employers in the Case of Workmen Continuously Employed.

(1) The Board of Trade shall, on application by an employer within one month after any calendar year, refund to the employer one-third of the contributions paid by him on his own behalf in respect of any workman who has been continuously in his service during that period, and for whom not less than 45 contributions have been paid.

(2) The Board of Trade may refund for a period less than 12 months to cover the time immediately after the commencement of the Act or in case of a change in the period for making calculations.

CLAUSE 95.—Repayment of Part of Contributions by Workmen in Certain Cases.

(1) If it is proved to the Board of Trade by any workman or his personal representatives that the workman has paid contributions for 500 weeks or upwards, and that he has reached the age of 60, or before his death reached the age of 60, he or his personal representatives may receive back the amount by which the total of his own contributions have exceeded the total amount received by him as unemployment benefit with interest at 2½ per cent.

(2) A repayment to a workman shall not affect his liability to pay contributions under the Act, and if after any such repayment he becomes entitled to unemployment benefit he shall be treated as if he has paid five-eighths of the number of contributions actually paid during the time for which he has received a refund.

CLAUSE 96.—Refund of Contributions paid in Respect of Workmen Working Short Time.

(1) If an employer satisfies the Board of Trade that during any period of depression in his business workmen employed by him have been systematically working short time, and that during such period he has paid contributions on behalf of his workmen as well as on his own behalf without deduction of his workmen's contributions, his own and his workmen's contributions shall be refunded to him in accordance with Regulations to be made by the Board of Trade for the period or such part thereof as may seem just. No refund shall be made in respect of any workman for any week in which the hours of work have exceeded five-sixths of the number usually recognised as a full week's work, except where working short time has been effected by stopping for some day of at least four hours.

(2) An employer who desires to take advantage of this section may make application to the Board of Trade in advance, and the Board of Trade may give their ruling as to whether the proposed means of reducing working hours are such as to satisfy this section.

CLAUSE 97.—Saving for Occasional Employment in Rural Neighbourhoods.

Where a workman is employed in a district which is rural in its character, and the workman usually follows in that district some occupation other than an insured trade, and is employed in an insured trade occasionally only, contributions shall not be payable in respect of him unless the employer and the workman agree that contributions shall be payable.

CLAUSE 98.—Payment of Contributions in Cases of Reservists or Territorials During Training.

Where a man of the Naval Reserve, the Army Reserve, or the Territorial Force is being trained and paid by the State and immediately before the training was employed in an insured trade, he shall be deemed whilst so training to be employed by the Crown in an insured trade.

CLAUSE 99.—Provisions with Respect to Workmen Engaged through Labour Exchanges.

(1) The Board of Trade may, on prescribed conditions, arrange with any employer in respect of workmen engaged through a Labour Exchange, or of workmen in his employ at the date of the arrangement, to undertake the duties of the employer under the Act, and the employment of the same or different workmen for successive periods, may, for the purposes of the employer's contributions, be treated as continuous employment of a single workman.

(2) Where such arrangement has been made, employment by more than one employer shall be treated for the purposes of contributions of workmen engaged through the Labour Exchange, as a continuous period of employment under one employer, and the regulations may provide for the refund of part of the employer's contribution accordingly.

CLAUSE 100.—Subsidiary Provisions.

(1) If the repeated failure of any insured workman to obtain or retain employment appears to the Insurance Officer to be due to defects in skill or knowledge, the Insurance Officer may offer to arrange for the attendance of the workman at a suitable place for testing his skill or knowledge, and may pay, out of the unemployment fund, all expenses incidental to such attendance. If the workman refuses to attend, or to produce satisfactory evidence of his competence, or if as a result of the test the Insurance Officer considers that the skill or knowledge of the workman is defective, and that there is no reasonable prospect of such defects being remedied, such facts shall be taken into consideration in determining what is suitable employment for the workman. If, as the result of the test, the Insurance Officer considers that there is a reasonable prospect of the defects of skill or knowledge being remedied by technical instruction, the Insurance Officer may pay out of the unemployment fund the expenses incidental to instruction if he thinks the charge on the Unemployment Fund is likely to be decreased thereby.

(2) The Regulations of the Board of Trade may provide for repayment to employers and workmen of contributions taken from them in a mistaken belief that the workmen were employed in an insured trade.

(3) If a reward has been paid for a lost book or card, the person responsible shall be liable for the reward up to one shilling.

CLAUSE 101.—Offences and Proceedings for Recovery of Contributions.

(1) If a false statement is made for the purpose of obtaining any benefit or payment, or avoiding payment, the penalty, on summary conviction, is imprisonment for not exceeding three months with or without hard labour.

(2) If any employer or workman has failed to pay contributions, or neglects to comply with any of the requirements of the Act, or the Regulations, he shall be liable to a fine not exceeding ten pounds and also three times the amount of the contributions unpaid, not exceeding five pounds.

(3) Proceedings shall not be instituted except with the consent of the Board of Trade, and may be commenced within three months of knowledge by the Board of Trade of the offence.

(4) The Board of Trade may recover any sums due by civil proceedings as a debt due to the Crown.

(5) Any benefits improperly paid may be recovered as a debt due to the Crown.

(6) The decision of the Umpire shall be final in any proceedings involving any question as to the payment of contributions or repayment of benefits.

CLAUSE 102.—Periodical Revision of Rates of Contribution.

After seven years, if it appears to the Board of Trade that the Unemployment Fund is insufficient, or more than sufficient, for the liabilities, or that the rates of contribution are excessive or deficient in any trade or branch of trade, the Board may, with the sanction of the Treasury by special Order, revise the rates of contribution for the insured Trades or branches thereof, and the revised rates shall be substituted for the rates prescribed by the Act, provided that when once revised no further revision shall be made for seven years; and no Order shall increase the rates of contribution from employers or workmen by more than one penny per week, or vary such rates unequally as between employers and workmen.

CLAUSE 103.—Power to Extend to Other Trades.

If it appears to the Board of Trade that it is desirable to extend the Provisions to a workman in any other trade, or to vary the definition of "workman" with respect to age, either generally or for any insured trade or branch, the Board, with the consent of the Treasury, may make a special Order extending the Act to such workman, or varying the definition of workman either with or without modification of rates of contribution, or rates and periods of benefit, and such Order shall take effect as part of this Act; but no Order shall be made if the person holding the Inquiry reports that the Order should not be made, or, if the Order would

in the opinion of the Treasury increase the contribution to the Unemployment Fund by the State to a sum exceeding one million pounds a year before the expiration of three years from making the Order. The rates of contribution mentioned in the Order are not to exceed the rates specified in the Eighth Schedule of this Act, and shall be imposed equally as between employers and workmen.

CLAUSE 104.—Exclusion of Subsidiary Occupations.

The Board of Trade may, by special Order, exclude from unemployment Insurance,

(a) Any occupation common to insured and uninsured trades alike, and ancillary only to the purposes of an insured trade; and,

(b) any occupation which though concerned with the making of parts, or the preparation of materials for an insured trade, is mainly carried on as a separate business, or in connection with uninsured trades.

Any special Order may cover one or more occupations, but the Provisions as to laying of Regulations before Parliament, and the presentation of an Address, shall apply to special Orders made under this section.

CLAUSE 105.—Arrangements with Associations of Workmen in Insured Trade to Make Payments to Members Whilst Unemployed.

(1) The Board of Trade may, on the application of an Association, the rules of which provide for payments to its members, being workmen in an insured trade, whilst unemployed, make an arrangement with the Association instead of paying unemployed benefit to the members of the Association direct, to repay periodically to the Association out of the unemployment fund, the aggregate amount which such workmen would have received, not exceeding three-fourths of the unemployment benefit paid by the Association to workmen.

(2) Any Association with which such an arrangement has been made shall be entitled to treat contributions deducted from wages of members under the Act as contributions paid to the Association, and may reduce the rate of subscriptions of those members accordingly.

(3) For the purpose of determining whether a workman has exhausted his right to unemployment benefit under the Act, the amount which but for this section would have been paid to him, shall be deemed to have been paid.

(4) The Board of Trade may make Regulations for giving effect to this section and for referring to the Umpire any disputes which may arise.

(5) The Association may also have members other than workmen if the Association is substantially an Association of workmen.

CLAUSE 106.—Repayments to Associations who make Payments to Persons, whether Workmen in Insured Trade or not whilst unemployed.

(1) The Board of Trade may, with the consent of the Treasury, and on such conditions, and either annually, or at such other in-

tervals as the Board may prescribe, repay out of State Funds to any Association of persons not trading for profit, the rules of which provide for unemployment benefit whether to workmen in an insured trade or not, such part, not exceeding one-sixth, as they think fit, of the aggregate amount which the Association has expended on such payments during the preceding year, or other prescribed period, exclusive of the sum repaid to the Association in respect of such period pursuant to an arrangement under the last foregoing section, and exclusive, in the case of payments which exceed twelve shillings a week, of so much of those payments as exceeds that sum.

(2) No repayment shall be made under this section in respect of any period before the expiration of six months from the commencement of this Act.

(3) The Board of Trade may make Regulations for giving effect to this section and determining disputes.

CLAUSE 107.—Interpretation and Application.

(1) For the purposes of this Act, the expression "workman" means any person of sixteen or upwards employed wholly or mainly by manual labour who has a contract of service with an employer whether expressed or implied, oral or in writing; and "workman unemployed" means a person who when employed fulfils the foregoing conditions, but does not include an indentured apprentice.

Contributions made by an employer on behalf of a workman shall be deemed to be contributions by the workman.

Two periods of unemployment of not less than two days each, separated by a period of not more than two days, during which the workman has not been employed for more than twenty-four hours, or two periods of unemployment, of not less than one week each separated by an interval of not more than six weeks, shall be treated as a continuous period of unemployment; and the expression "continuously unemployed" shall have a corresponding meaning. (Verbatim.)

Temporary work provided by a central body or Distress Committee under the Unemployed Workmen's Act, 1905, or towards the provision of which any central body or distress committee has contributed, shall not be deemed to be employment in an insured trade.

A workman shall not be deemed to be unemployed whilst he is following any remunerative occupation in an insured trade, or whilst from any other occupation he derives any remuneration or profit greater than unemployment benefit under the Act. A workman shall not, for the purposes of contributions, be deemed to be employed while he receives no remuneration from his employer although he continues in his employment.

The expression "Trade Dispute" means any dispute between employers and workmen, or between workmen and workmen connected with the employment, or non-employment, or terms of employment, or conditions of labour, of any persons, whether workmen in the employment of the employer with whom the dispute arises, or not.

(2) In determining any question as to whether any trade in which a workman is, or has been employed, is an insured trade or not, regard shall be had to the nature of the work in which the

workman is engaged, rather than to the business of the employer by whom he is employed.

(3) The Act shall apply to workmen employed by the Crown to whom the Act would apply if the employer were a private person except to workmen serving in an established capacity in the permanent service of the Crown, unless an Order in Council is issued to include the latter.

(4) If the Board of Trade are satisfied that any class of workmen are, having regard to their claim to pension or other terms of their service in as permanent a position as that of persons serving in an established capacity in the permanent service of the Crown, the Board of Trade may exempt that class of persons, and any persons so exempt shall not be deemed to be workmen.

PART III.

General.

CLAUSE 108.—Provisions as to Stamps.

The Commissioners of Inland Revenue, with the consent of the Treasury, shall prepare and issue the stamps, and may, with the consent of the Postmaster-General, provide for the sale thereof through the Post Office.

CLAUSE 109.—Outdoor Relief.

In granting Outdoor Relief a Board of Guardians shall not take into consideration any benefit except so far as it exceeds five shillings a week.

Note.—An amendment, proposed by Mr. Worthington Evans, that additional benefits should not be taken into account as income for the purposes of the Old Age Pensions Act, was ruled out of Order on objection being taken by the Chancellor of the Exchequer, who stated that the amendment would add £150,000 a year to the cost of Old Age Pensions.

CLAUSE 110.—Priority of Claims for Contributions Due by Bankrupt Employers.

(1) Claims for contributions by employers for the four months prior to failure are to have priority in the distribution of the assets of the bankrupt or liquidated Company.

(2) In the winding up of a Company under the Stannaries Act, 1887, the contributions are to have the same priority as miners' wages.

(3) The section is not to apply to a Company wound up voluntarily merely for the purposes of reconstruction or amalgamation.

(4) Similar provisions are applied to Scotland.

(5) Similar provisions are applied to Ireland.

CLAUSE 111.—Benefits to be Inalienable.

Benefits are not to be assigned, or charged, or to pass to creditors.

CLAUSE 112.—Powers of Inspectors.

(1) An Inspector shall have power to do any of the following things:—

(a) To enter at all reasonable times on any premises (other than a private dwelling-house not being a workshop), where he has reasonable grounds for supposing that any employed contributors or workmen in an insured trade are employed.

(b) To make such examination and inquiry as may be necessary for ascertaining whether the Provisions of this Act are complied with in any such premises;

(c) To examine, either alone or in the presence of any other person, every person whom he finds in any such premises, or whom he has reasonable cause to believe to be an employed contributor or a workman in an insured trade, and to require every such person to sign a Declaration of the truth of the matters in respect of which he is so examined;

(d) To exercise such other powers as may be necessary for carrying this Act into effect.

(2) The occupier, the employer, and the servants and agents, shall furnish any inspector with all such information, and shall produce all such registers, books and cards, as the inspector may reasonably require.

(3) If any person wilfully delays or obstructs an inspector, or fails to give information, or to produce documents, or prevents any person from being examined by an inspector, he shall be liable to a fine not exceeding five pounds.

Provided that no one shall be required under this section to answer any question, or give any evidence tending to incriminate himself.

Where such premises are liable to inspection by some other Government Department, arrangements may be made with that Government Department to carry out the powers of an Inspector under this section.

(5) Every inspector shall, on applying for admission to any premises, if required, produce the prescribed certificate of his appointment.

CLAUSE 113.—Procedure for Making Special Orders.

(1) Special Orders under the Act shall be made under the Clauses of the Factory and Workshops Act, 1910, as adapted in the 9th Schedule to this Act, see page 80.

(2) Before a special Order (other than a special Order excluding any occupation from the occupations which are to be

deemed to be employment in an insured trade) comes into force it shall be laid before each House of Parliament for not less than 30 days during which the House is sitting, and if either House before the expiration of those 30 days presents an address against the Order, no further proceedings shall be taken thereon without prejudice to the making of any new Order.

Note.—This clause was not discussed in Committee or on Report owing to the Government closure.

CLAUSE 114.—Provisions as to Birth Certificates.

Where the age of a person is required to be proved, a certified copy of his or her birth certificate can be obtained for sixpence from the Registrar or Superintendent Registrar.

Note.—This clause was not discussed in Committee or on Report owing to the Government closure.

CLAUSE 115.—Short Title and Commencement.

This Act may be cited as the National Insurance Act, 1911, and shall come into operation on the 15th July, 1912, but an Order in Council may substitute some subsequent date not later than the 1st of January, 1913, as regards Health Insurance, and not later than the 1st October, 1912, for unemployment insurance.

SCHEDULES.

FIRST SCHEDULE.

(*Verbatim.*)

PART I.

EMPLOYMENTS WITHIN THE MEANING OF PART I. OF THIS ACT RELATING TO HEALTH INSURANCE.

(a) Employment in the United Kingdom under any contract of service or apprenticeship, written or oral, whether expressed or implied, and whether the employed person is paid by the employer or some other person, and whether under one or more employers, and whether paid by time or by the piece or partly by time and partly by the piece or otherwise, or, except in the case of a contract of apprenticeship, without any money payment.

(b) Employment under such a contract as aforesaid as master or a member of the crew of any ship registered in the United Kingdom or of any other British ship or vessel of which the owner, or, if there is more than one owner, the managing owner or manager, resides or has his principal place of business in the United Kingdom.

(c) Employment as an outworker (that is to say, a person to whom articles or materials are given out to be made up, cleaned, washed, altered, ornamented, finished, or repaired, or adapted for sale in his own home or on other premises not under the control or management of the person who gave out the articles or materials for the purposes of the trade or business of the last-mentioned person), unless excluded by a special order made by the Insurance Commis-

sioners, and any such order may exclude outworkers engaged in work of any class, or outworkers of any class or description specified in the order, or may defer the commencement of this Act as respects all outworkers, and the person who gave out the articles or materials shall in relation to the person to whom he gave them out be deemed to be the employer.

(d) Employment in the United Kingdom in plying for hire with any vehicle or vessel the use of which is obtained from the owner thereof under any contract of bailment (or in Scotland any contract of letting to hire) in consideration of the payment of a fixed sum or a share in the earnings or otherwise, in which case the owner shall for the purposes of Part I. of this Act be deemed to be the employer.

PART II.

Exceptions.

(a) Employment in the naval or military service of the Crown, including service in Officers' Training Corps, except as otherwise provided in Part I. of this Act.

(b) Employment under the Crown or any local or other public authority where the Insurance Commissioners certify that the terms of the employment are such as to secure provision in respect of sickness and disablement on the whole not less favourable than the corresponding benefits conferred by Part I. of this Act.

(c) Employment as a clerk or other salaried official in the service of a railway or other statutory company, or of a joint committee of two or more such companies, where the Insurance Commissioners certify that the terms of employment, including his rights in such superannuation fund as is hereinafter mentioned, are such as to secure provision in respect of sickness and disablement, on the whole, not less favourable than the corresponding benefits conferred by Part I. of this Act, and the person so employed is entitled to rights in a superannuation fund established by Act of Parliament for the benefit of persons in such employment, or in Ireland is entitled to rights in any such superannuation fund or in any railway superannuation fund which may be approved by the Insurance Commissioners.

(d) Employment as a teacher to whom the Elementary School Teachers' Superannuation Act, 1898, or a scheme under Section 14 of the Education (Scotland) Act, 1908, or the National School Teachers (Ireland) Act, 1879, applies, or in the event of any similar enactment being hereafter passed as respects teachers or any class of teachers (other than teachers in public elementary schools), as a teacher to whom such enactment applies.

(e) Employment as an agent paid by commission or fees or a share in the profits, or partly in one and partly in another such ways, where the person so employed is mainly dependent for his livelihood on his earnings from some other occupation, or where he is ordinarily employed as such agent by more than one employer, and his employment under no one of such employers is that on which he is mainly dependent for his livelihood.

(f) Employment in respect of which no wages or other money payment is made where the employer is the occupier of an agricultural holding and the employed person is employed thereon, or where the person employed is the child of, or is maintained by, the employer.

(g) Employment otherwise than by way of manual labour and at a rate of remuneration exceeding in value one hundred and sixty pounds a year, or in cases where such employment involves part-time service only at a rate of remuneration which, in the opinion of the Insurance Commissioners, is equivalent to a rate of remuneration exceeding one hundred and sixty pounds a year for whole-time service.

(h) Employment of a casual nature otherwise than for the purposes of the employer's trade or business, and otherwise than for the purposes of any game or recreation where the persons employed are engaged or paid through a club, and in such case the club shall be deemed to be the employer.

(i) Employment of any class which may be specified in a special order as being of such a nature that it is ordinarily adopted as subsidiary employment only and not as the principal means of livelihood.

(j) Employment as an outworker where the person so employed is the wife or an insured person and is not wholly or mainly dependent for her livelihood on her earnings in such employment.

(k) Employment as a member of the crew of a fishing vessel where the members of such crew are remunerated by shares in the profits or the gross earnings of the working of such vessel in accordance with any custom or practice prevailing at any port if a special order is made for the purpose by the Insurance Commissioners, and the particular custom or practice prevailing at the port is one to which the order applies.

(l) Employment in the service of the husband or wife of the employed person.

SECOND SCHEDULE.

(*Verbatim.*)

RATES OF CONTRIBUTION UNDER PART I. OF THIS ACT RELATING TO HEALTH INSURANCE.

PART I.

EMPLOYED RATE.

In the case of men	7d. a week.
,, ,, women	6d. ,,

CONTRIBUTIONS BY EMPLOYERS AND EMPLOYED CONTRIBUTORS.

To be paid by the contributor ...	Men, 4d. a week. Women, 3d. ,,
,, ,, employer	3d. a week.

In the case of employed contributors of either sex of the age of 21 or upwards whose remuneration does not include the provision of board and lodging by their employer, and the rate of whose remuneration does not exceed 2s. 6d. a working day, the following shall be the rates of contribution:—

Where the rate of remuneration does not exceed 1s. 6d. a working day—

	A week.
To be paid by the employer ...	For men, 6d. ,, women, 5d.
,, out of moneys provided by Parliament...	1d.

Where the rate of remuneration exceeds 1s. 6d. but does not exceed 2s. a working day—

	A week.
To be paid by the employer ...	For men, 5d.
	,, women, 4d.
,, ,, contributor	1d.
,, out of moneys provided by Parliament...	1d.

Where the rate of remuneration exceeds 2s. but does not exceed 2s. 6d. a working day—

	A week.
To be paid by the employer ...	For men, 4d.
	,, women, 3d.
,, ,, contributor	3d.

PART II.

Employed Rate in Ireland.

In the case of men	5½d. a week.
,, ,, women	4½d. ,,

Contributions by Employers and Employed Contributors.

To be paid by the contributor ...	Men, 3d. a week.
	Women, 2d. ,,
,, ,, employer	2½d. a week.

In the case of employed contributors of either sex of the age of 21 or upwards whose remuneration does not include the provision of board and lodging by their employer, and the rate of whose remuneration does not exceed 2s. 6d. a working day, the following shall be the rates of contribution:—

Where the rate of remuneration does not exceed 1s. 6d. a working day—

	A week.
To be paid by the employer ...	For men, 4½d.
	,, women, 3½d.
,, out of moneys provided by Parliament...	1d.

Where the rate of remuneration exceeds 1s. 6d. but does not exceed 2s. a working day—

	A week.
To be paid by the employer	For men, 4d.
	,, women, 3d.
,, ,, contributor	½d.
,, out of moneys provided by Parliament...	1d.

Where the rate of remuneration exceeds 2s. but does not exceed 2s. 6d. a working day—

	A week.
To be paid by the employer	For men, 3½d.
	,, women, 2½d.
,, ,, contributor	2d.

Note.—This schedule was not discussed in Committee owing to the Government closure.

THIRD SCHEDULE.

(*Verbatim.*)

RULES AS TO PAYMENT AND RECOVERY OF CONTRIBUTIONS PAID BY EMPLOYERS ON BEHALF OF EMPLOYED CONTRIBUTORS UNDER PART I. OF THIS ACT RELATING TO HEALTH INSURANCE.

(1) A weekly contribution shall be payable for each calendar week during the whole or any part of which an employed contributor has been employed by an employer: Provided that where one weekly contribution has been paid in respect of an employed contributor in any such week no further contribution shall be payable in respect of him in the same week, and that where no remuneration has been received and no services rendered by an employed contributor during any such week, or where no services have been rendered by an employed contributor during any such week and the employed contributor has been in receipt of sickness or disablement benefit during the whole or any part of that week, the employer shall not be liable to pay any contribution either on his own behalf or on behalf of the contributor in respect of that week.

(2) The employer shall, except as hereinafter provided, be entitled to recover from the employed contributor the amount of any contributions paid by him on behalf of the employed contributor.

(3) Except where the employed contributor does not receive any wages or other pecuniary remuneration from the employer, the amounts so recoverable shall, notwithstanding the provisions of any Act or any contract to the contrary, be recoverable by means of deductions from the wages or other remuneration, and not otherwise; but no such deductions may be made from any wages or remuneration other than such as are paid in respect of the period or part of the period in respect of which the contribution is payable, or in excess of the sum which represents the amount of the contributions for the period (if such period is longer than a week) in respect of which the wages or other remuneration are paid.

(4) Where a contribution paid by the employer on behalf of an employed contributor is recoverable from the contributor but is not recoverable by means of deductions as aforesaid, it shall (without prejudice to any other means of recovery) be recoverable summarily as a civil debt, but no such contribution shall be recoverable unless proceedings for the purpose are instituted within three months from the date when the contribution was payable.

(5) Where the contributor is employed by more than one employer in any calendar week, the first person employing him in that week or such other employer or employers as may be prescribed shall be deemed to be the employer for the purposes of the provisions of Part I. of this Act relating to the payment of contributions and of this Schedule.

(6) Regulations of the Insurance Commissioners may provide that in any cases or any classes of cases where employed contributors work under the general control and management of some person other than their immediate employer, such as the owner, agent, or manager of a mine or quarry, or the occupier of a factory or workshop, such person shall, for the purposes of the provisions of Part I. of this Act

relating to the payment of contributions and of this Schedule, be treated as the employer, and may provide for allowing him to deduct the amount of any contributions (other than employers' contributions) which he may become liable to pay from any sums payable by him to the immediate employer, and for enabling the immediate employer to recover from the employed contributors the like sums and in the like manner as if he were liable to pay the contributions.

(7) Where the contributor is not paid wages or other money payments by his employer or any other person, the employer shall be liable to pay the contributions payable both by himself and the contributor, and shall not be entitled to recover any part thereof from the contributor.

(8) Notwithstanding any contract to the contrary, the employer shall not be entitled to deduct from the wages of or otherwise to recover from the contributor the employers' contribution.

(9) Any sum deducted by any employer from wages or other remuneration under this Schedule shall be deemed to have been entrusted to him for the purpose of paying the contribution in respect of which it was deducted.

(10) The Insurance Commissioners may by regulations provide that in the case of outworkers the contributions to be paid may be determined by reference to the work actually done, instead of by reference to the weeks in which work is done, and any such regulations may apply to all trades or to any specified classes or branches of trades, and may determine the conditions to be complied with by employers who adopt such a system of payment of contributions.

(11) For the purposes of this Schedule the expression "calendar week" means the period from midnight on one Sunday to midnight on the following Sunday.

Note.—This schedule was not discussed in Committee or on Report owing to the Government closure.

FOURTH SCHEDULE.

(*Verbatim.*)

BENEFITS UNDER PART I. OF THIS ACT RELATING TO HEALTH INSURANCE.

PART I.

RATES OF BENEFITS.

Table A.—Ordinary Rates.

Sickness benefit: for men the sum of 10s. a week throughout the whole period of twenty-six weeks; for women the sum of 7s. 6d. a week throughout the whole period of twenty-six weeks.

Disablement benefit: the sum of 5s. a week for men and women alike.

Table B.—Reduced Rates in the case of Unmarried Minors.

Sickness Benefit—for males, the sum of 6s. a week during the first thirteen weeks and the sum of 5s. a week during the second thirteen weeks.

for females, the sum of 5s. a week for the first thirteen weeks and the sum of 4s. a week for the second thirteen weeks.

Disablement Benefit—for females, the sum of 4s. a week.

Table C.—Reduced Rates for Persons over Fifty in certain cases.

Where the insured person is over 50 and under 60 at the time of becoming an employed contributor—

For men, the sum of 7s. a week throughout the whole period of twenty-six weeks.

For women, the sum of 6s. a week throughout the whole period of twenty-six weeks.

Where the insured person is over 60 at the time of becoming an employed contributor—

For both men and women the sum of 6s. a week for the first thirteen weeks, and 5s. a week during the second thirteen weeks.

Table D.—Rates and Conditions for Married Women.

Sickness benefit: during the first thirteen weeks, the sum of 5s. a week; during the second thirteen weeks, 3s. a week.

Disablement benefit: the sum of 3s. a week.

Sickness and disablement benefit shall not be payable during the two weeks before and four weeks after confinement, except in respect of a disease or disablement neither directly or indirectly connected with childbirth.

PART II.

Additional Benefits.

(1) Medical treatment and attendance for any persons dependent upon the labour of a member.

(2) The payment of the whole or any part of the cost of dental treatment.

(3) An increase of sickness benefit or disablement benefit in the case either of all members of the Society or of such of them as have any children or any specified number of children wholly or in part dependent upon them.

(4) Payment of sickness benefit from the first, second, or third day after the commencement of the disease or disablement.

(5) The payment of a disablement allowance to members though not totally incapable of work.

(6) An increase of maternity benefit.

(7) Allowances to a member during convalescence from some disease or disablement in respect of which sickness benefit or disablement benefit has been payable.

(8) The building or leasing of premises suitable for convalescent homes and the maintenance of such homes.

(9) The payment of pensions or superannuation allowances whether by way of addition to old age pensions under the Old Age Pensions Act, 1908, or otherwise.

(10) The payment, subject to the prescribed conditions, of contributions to superannuation funds in which the members are interested.

(11) Payments to members who are in want or distress including the remission of arrears whenever such arrears may have become due.

(12) Payments for the personal use of a member who, by reason of being an inmate of a hospital or other institution, is not in receipt of sickness benefit or disablement benefit.

(13) Payments to members not allowed to attend work on account of infection.

(14) Repayment of the whole or any part of contributions thereafter payable under Part I. of this Act by members of the Society or any class thereof.

PART III.

BENEFITS FOR MARRIED WOMEN WHO DO NOT BECOME VOLUNTARY CONTRIBUTORS AT REDUCED RATES.

Payment of the sum of 5s. a week on confinement during a period not exceeding four weeks on any one occasion.

Payments during any period of sickness or distress, subject to regulations made by the Insurance Commissioners and to the discretion of the Society or Committee administering the benefit.

Note.—This schedule was not discussed in Committee or on Report owing to the Government closure.

FIFTH SCHEDULE.

(*Verbatim.*)

REDUCTION OR POSTPONEMENT OF SICKNESS BENEFIT AND WHERE CONTRIBUTIONS ARE IN ARREAR.

TABLE.

(1) Where the Arrears amount to		(2) Rates of Sickness Benefit.	
		Men.	Women.
		s. d.	s. d.
4 contributions a year on average		9 6	7 3
5	„ „ „	9 0	7 0
6	„ „ „	8 6	6 9
7	„ „ „	8 0	6 6
8	„ „ „	7 6	6 3
9	„ „ „	7 0	6 0
10	„ „ „	6 6	5 9
11	„ „ „	6 0	5 6
12	„ „ „	5 6	5 3
13	„ „ „	5 0	5 0
For both Men and Women.		5s. 0d., commencing 5th day after commencement of illness	
		„ „ 6th „ „	
		„ „ 7th „ „	
		„ „ 8th „ „	
		„ „ 9th „ „	
		„ „ 10th „ „	
		„ „ 11th „ „	
		„ „ 12th „ „	
		„ „ 13th „ „	
		„ „ 14th „ „	

NOTES.

Where the insured person is by virtue of any of the provisions of Part I. of this Act, other than those relating to arrears, entitled

to sickness benefit at a rate lower than the full rate, this Table shall have effect as if the entries in the first column were so shifted down that the first entry therein was set opposite the entry in the second column next below the entry specifying the rate of sickness benefit to which the insured person is entitled.

When the rate of sickness benefit during the first thirteen weeks to which the insured person is entitled is by virtue of any of the provisions of this Act, other than those relating to arrears, less than 5s. a week, this Table shall have effect as if such lower rate were therein substituted for the rate of 5s. a week.

Note.—This schedule was not discussed in Committee or on Report owing to the Government closure.

SIXTH SCHEDULE.

(*Verbatim.*)

LIST OF INSURED TRADES FOR THE PURPOSES OF PART II. OF THIS ACT RELATING TO UNEMPLOYMENT INSURANCE.

(1) Building; that is to say, the construction, alteration, repair, decoration, or demolition of buildings, including the manufacture of any fittings of wood of a kind commonly made in builders' workshops or yards.

(2) Construction of works; that is to say, the construction, reconstruction, or alteration of railroads, docks, harbours, canals, embankments, bridges, piers, or other works of construction.

(3) Shipbuilding; that is to say, the construction, alteration, repair, or decoration of ships, boats, or other craft by persons not being usually members of a ship's crew, including the manufacture of any fittings of wood of a kind commonly made in a shipbuilding yard.

(4) Mechanical engineering, including the manufacture of ordnance and firearms.

(5) Ironfounding, whether included under the foregoing headings or not.

(6) Construction of vehicles; that is to say, the construction, repair, or decoration of vehicles.

(7) Sawmilling, including machine woodwork carried on in connection with any other insured trade or of a kind commonly so carried on.

SEVENTH SCHEDULE.

(*Verbatim.*)

RATES AND PERIODS OF UNEMPLOYMENT BENEFIT.

In respect of each week following the first week of any period of unemployment, seven shillings, or such other rates as may be prescribed either generally or for any particular trade or any branch thereof:—

Provided that, in the case of a workman under the age of eighteen, no unemployment benefit shall be paid while the workman is below the age of seventeen, and while the workman is of the age of seventeen or upwards but below the age of eighteen, unemployment benefit shall

only be paid at half the rate at which it would be payable if the workman was above the age of eighteen.

No workman shall receive unemployment benefit for more than fifteen or such other number of weeks as may be prescribed either generally or for any particular trade or branch thereof within any period of twelve months, or in respect of any period less than one day.

No workman shall receive more unemployment benefit than in the proportion of one week's benefit for every five contributions paid by him under this Act:—

Provided that for the purpose of the foregoing paragraph—

(a) In the case of a workman who satisfies the Board of Trade that he is over the age of twenty-one and has habitually worked at an insured trade before the commencement of this Act, there shall be deemed to be added to the number of contributions which he has actually paid five contributions for each period of three months or part of such period during which he has so worked before the commencement of this Act, up to a maximum of twenty-five contributions; and

(b) Where, owing to the fact that the wages or other remuneration of a workman are paid at intervals greater than a week, or for any other like reason contributions are paid under Part II. of this Act in respect of any workman at intervals greater than a week, that workman shall be entitled to treat each of such contributions as so many contributions as there are weeks in the period for which the contribution has been paid.

Any time during which a workman is under Part II. of this Act disqualified for receiving unemployment benefit shall be excluded in the computation of periods of unemployment under this Schedule.

A period of unemployment shall not be deemed to commence till the workman has made application for unemployment benefit in such manner as may be prescribed.

The power conferred by this Schedule on the Board of Trade to prescribe rates and periods of unemployment benefit shall not be exercised so as to increase the rate of benefit above eight shillings per week or reduce it below six shillings per week, or to increase the period of unemployment benefit above fifteen weeks, or to alter the proportion which the period of benefit bears to the number of contributions paid, except by rules confirmed by an order made in accordance with the provisions of this Act relating to special orders.

EIGHTH SCHEDULE.

(Verbatim.)

CONTRIBUTIONS FOR THE PURPOSES OF PART II. OF THIS ACT RELATING TO UNEMPLOYMENT INSURANCE.

RATES OF CONTRIBUTION FROM WORKMEN AND EMPLOYERS.

From every workman employed in an insured trade for every week he is so employed ..... 2½d.

From every employer by whom one or more workmen are employed in an insured trade, in respect of each workman, for every week he is so employed ..... 2½d.

Provided that in the case of a workman below the age of eighteen

1d. shall be substituted for 2½d. as the contribution from the workman and from the employer, but for the purpose of reckoning the number of contributions in respect of such a workman except as regards the payment of unemployment benefit before he reaches the age of eighteen the 1d. shall be treated as two-fifths of a contribution.

Every such period of employment of less than a week shall, for the purposes of this Schedule, be treated as if it were employment for a whole week, except that, where the period of employment is two days or less, the contributions both of the employer and of the workman shall be reduced to one penny if the period does not exceed one day and to twopence if it exceeds one day; and in such case in reckoning the number of contributions under Part II. of this Act and the Schedules therein referred to contributions at such reduced rates shall be treated as two-fifths or four-fifths of a contribution as the case may require.

NINTH SCHEDULE.

(*Verbatim.*)

PROVISIONS OF THE FACTORY AND WORKSHOP ACT, 1901, APPLIED TO SPECIAL ORDERS MADE UNDER THIS ACT.

80.—(1) Before the authority empowered to make special orders make any special order under this Act, they shall publish, in such manner as they may think best adapted for informing persons affected, notice of the proposal to make the order, and of the place where copies of the draft order may be obtained, and of the time (which shall be not less than twenty-one days) within which any objection made with respect to the draft order by or on behalf of persons affected must be sent to the authority.

(2) Every objection must be in writing and state—

(a) the draft order or portions of draft order objected to;

(b) the specific grounds of objection; and

(c) the omissions, additions, or modifications asked for.

(3) The authority shall consider any objection made by or on behalf of any persons appearing to them to be affected which is sent to them within the required time, and they may, if they think fit, amend the draft order, and shall then cause the amended draft to be dealt with in like manner as an original draft.

(4) Where the authority does not amend or withdraw any draft order to which any objection has been made, then (unless the objection either is withdrawn or appears to them to be frivolous) they shall, before making the order, direct an inquiry to be held in the manner hereinafter provided.

81.—(1) The authority may appoint a competent and impartial person to hold an inquiry with regard to any draft order, and to report to them thereon.

(2) The inquiry shall be held in public, and any objector and any other person who, in the opinion of the person holding the inquiry, is affected by the draft order, may appear at the inquiry either in person or by counsel, solicitor, or agent.

(3) The witnesses on the inquiry may, if the person holding it thinks fit, be examined on oath.

(4) Subject as aforesaid, the inquiry and all proceedings pre-

liminary and incidental thereto shall be conducted in accordance with rules made by the authority.

(5) The fee to be paid to the person holding the inquiry shall be such as the authority may direct and shall be deemed to be part of the expenses of the authority in carrying this Act into effect.

(6) For the purposes of this schedule the expression "authority" means the Insurance Commissioners or the Board of Trade, as the case may be.

Note.—This schedule was not discussed in Committee or on Report owing to the Government closure.

ATTITUDE OF THE UNIONIST PARTY.

When the National Insurance Bill came up for third reading in the House of Commons on December 6, 1911, the Unionist Party, after very careful consideration, decided that, in view of the unsatisfactory state of the Bill, it was an urgent necessity that it should be re-committed for further consideration and amendment. It was felt that while the objects of the Bill were good, the work of adjusting its provisions to the necessities of the industries and occupations of the people of the country had been scamped, and that unless further time could be secured the hardship and injustice of many of its provisions would seriously hamper its working, and possibly eventually destroy the whole measure. Accordingly, Mr. H. W. Forster, M.P., who has worked so splendidly to improve the Bill, was entrusted with the official Unionist amendment to the motion for the third reading. It is set out in the Parliamentary records as follows:—

> "Motion made, and question proposed, 'That the Bill be now read a third time.'
>
> "Amendment proposed, to leave out from the word 'that' to the end of the question, in order to add the words, 'while approving the objects of national insurance, this House is of opinion that under Part I. of the Bill public funds and individual contributions will not be used to the best advantage of those most closely affected, and that, as the Bill has been neither adequately discussed in this House nor fully explained to the country and would in its present form be unequal in its operation, steps should be taken to enable further consideration of Part I. to be resumed next Session, and in the meanwhile to have the draft regulations published'—(*Mr. H. W. Forster*)—instead thereof."

It will be seen from this that what the Unionists asked was that they should have an opportunity of further discussing and amending it, and that the necessary steps should be taken to give them that opportunity. Was not this reasonable, seeing that the Bill contained 31 clauses which had never been discussed in Committee, and 93 clauses which had never been discussed on the report stage owing to the closure applied by the Government? Is it not admitted even by its authors that many of its clauses require amendment, and that it is not a perfect measure? Why not reconsider it and introduce the amendments before its imperfections are forced upon the country, before causing wholesale irritation which will render it difficult, if not impossible, to ultimately perfect a national scheme?

The attitude of the Party in the House of Lords can be best seen from the really masterly summing-up of the position by Lord Lansdowne—though the Bill was not technically a financial Bill, yet its objects are to give insurance benefits to which the State contribute; no alteration in the benefits, therefore, could be made without infringing the privileges of the House of Commons, and the same is true of the contributions and the administration.

Extract from the speech of the Right Hon. A. Bonar Law in the House of Commons on December 6th, 1911.

THE TECHNICAL FORM OF THE AMENDMENT.

I wish at the outset to deal with the general grounds on which we have put down the amendment which was moved by Mr. H. W. Forster in a speech which well deserved the praise for moderation which was given it by Mr. Lloyd George, the Chancellor of the Exchequer. What is that ground? I have seen, not with surprise, in all the Radical papers that to propose this amendment was equivalent to moving the rejection of the Bill. The ground on which that statement was made was this: That when you, Mr. Speaker, come to put the question, you will put it in this form:—

"That the words proposed to be left out stand part of the question"—

and those papers said that that is equivalent to the rejection of the Bill. I was not surprised at them, but I was surprised to hear it repeated by Mr. Lloyd George. What does it mean? It means this, that on every Question which is put from the Chair every one of us has got to say "Yes" or "No," and nothing else, and the whole of that argument would fall to the ground if you could put the question in this form:—

"The Question is 'That this Amendment be made.'"

Does Mr. Lloyd George actually suggest that because of a technical reason, and for that reason only, we are driven into the position whether we like it or not, that we must, without any explanation, say "Yes" or "No" to the Question which you put from the Chair? Nobody ought to realise how silly and how childish that is better than those who are Members of this House. We all know that the favourite amusement of the clever heckler is to put to us candidates questions on which it is impossible to say "Yes" or "No," and then to accuse of hedging if we begin to explain our position. Are we to be reduced to that in the House of Commons? On this question we decline to say either "Yes" or "No." If we say "No," it implies that we are opposed to the principle and object of the Bill. We shall not say "No." If we say "Yes," it implies that we approve of the Bill as it is presented to this House now. We shall not say "Yes." We shall vote for our Amendment, and I venture to say that that Amendment, if it could be decided upon apart from party issues, would receive an overwhelming majority in the House of Commons, and if proof is wanted for that, I ask none better than the speech of Mr. Ramsay Macdonald. . . . Whatever may be the opinion of the House of Commons, I am perfectly certain of this, that three-fourths, and I believe nine-tenths, of the people of this country take our view

to-day. They are not hostile to the proposals of the Bill, neither are we; but they are convinced that it has not been either properly considered by this House or properly understood in the country, and that further time should be given for both purposes. That is our Amendment, and when we have voted for it, so far as I am concerned, I shall take no further part in any further Amendment. I shall leave to the Government the responsibility, and it is a very big responsibility, of forcing an immense scheme like this upon the country, when there is not a man in this House who does not know that it has not been properly considered, and is not a measure which, in its present form, can be otherwise than disadvantageous to the people of this country.

The Three Propositions.—1. Contributions not used in the best way.

I shall deal more specifically with our Amendment. It lays down three propositions. The first is that the contributions are not used in the best way. I think that there are very few people in the House who do not agree with that proposition. I am going to give my reasons. Mr. Lloyd George, in introducing the Budget, and even in recent speeches, has shown that his whole Bill is based upon a false assumption. He assumed that, I think, something like a third of those who are to be brought into this scheme enjoy now medical and sick pay benefits. In making that assumption he took only the friendly societies, and he ignored altogether that immense class which gets those benefits directly or indirectly from their employers, and he ignored that very large class also which gets them now from their small clubs of one kind or another. If he had been accurately informed of the facts at the first I cannot believe for a moment that the Bill would have taken the shape in which it is now presented to the House.

Mr. Lloyd George challenged Mr. Forster for not producing specific instances of the Bill not giving the best benefit. I am not afraid to give an instance. I will take what he describes as the meanest agitation ever seen. I think Mr. Lloyd George in his speech to-day, and in all his speeches, exaggerates the power of the Press to make agitations. I say this with great deference, because there is no one in this House or out of it who should be a better judge of that than Mr. Lloyd George. But my impression is that while the Press can fan a flame, it cannot produce an agitation like that to which reference has been made unless there is some fire behind it. I think it is simply absurd to suggest that the "10,000 Peeresses," who were crowding in Albert Hall, were drawn there simply by an agitation in the Press. There is more in it than that. If hon. Members doubt it I recommend them to do what I did myself when this agitation first came to the front. I asked my own domestics what they thought of it. I do not think it is a bad plan. I will tell you what hon. Members who try that plan will find. They will find that the domestics know all about the Bill, that they have not been misled either by the Government or by the Press, that they know exactly what it means to them, and that they do not like it. In proof of the extent of the misrepresentations on the part of the Government you could not have a better instance than the letter signed by a number

of ladies which appears in the "Times" to-day. That letter actually suggests that under this Bill domestic servants will in future be taken care of in their own houses by their employers, and that they will still receive the 7s. 6d. benefit while in those houses. Does anyone think that that is likely when the employer has to pay every week for that purposes? [HON. MEMBERS: "Yes."] Then take the other side of the dilemma. If they do, is it not perfectly obvious that the servants were getting that kind of benefit before? I quite admit that the Clause introduced hastily into the Bill has removed that objection to a considerable extent by making sick pay optional. But for the life of me I cannot understand why the Government did not make the medical benefit optional also. It cannot be a question of principle. That is obvious, because they have abandoned it at the demand of hon. Members from Ireland. If it were made optional it would, I believe, be an immense advantage, and it would do something to remove the grievances which still exist on the part of the doctors. I cannot imagine why the Government have not done it. I have only one thing more to say about this agitation. It teaches us another lesson. But for this agitation this grievance would have passed almost unnoticed, and we have no reason whatever to doubt that there are hundreds of cases of the same kind which only require to be brought to the notice of the people of the country to arouse the same hostility.

II.—The Bill unequal in its operation.

I now come to the second proposition in our Amendment, namely, that this Bill as it stands is unequal in its operation. Is there any Member of the House who doubts that? I am sure there cannot be. The Bill, as it stands, is a complete negation, not only of the title of the Bill, but of all the speeches Mr. Lloyd George has made about the Bill. It is described as a National Insurance Bill, and Mr. Lloyd George has always spoken as if its effect was to treat the workers as one body, to put them in one lot in such a way that the strong would help the weak. The Bill does nothing of the kind. From beginning to end it is framed on the principle of the strong joining the strong and the weak being compelled to herd with the weak. That is true even in regard to the approved societies. I have taken the trouble to examine the accounts of two friendly societies which have often been mentioned in these Debates. I will not mention their names, because that might be an advertisement for one of them. But it is certain—I will give the names to Mr. Lloyd George if he doubts it—that one of these societies will be able to give very much bigger benefits than the other. The result, of course, will be that it will become still more exclusive. The best men in the other societies, the best lives, will be tempted by the irresistible advantage of pounds, shillings, and pence to leave the societies to which they belong and go to the society from which they will get the better benefits. There is no doubt about it. Even in the approved societies the temptation will be immense for the best lives to be in one category, and the second, third, fourth, and fifth to be in another category by themselves. I hardly venture to mention the trade unions, because I remember Mr. Lloyd George was very sarcastic about Mr. Balfour because he took an interest in these bodies. I venture, with all humility, to say that I also am interested in them. Is there any member of a trade union

who doubts that, judging by the pounds, shillings, and pence interest, it will be to the advantage of members of trade unions to leave their societies, for they cannot give the same benefits, and join societies which will give higher benefits? It must be so. I do not mean to say that trade unionists may not be actuated by other motives. I am the first to acknowledge that the working-class have always shown a readiness to sacrifice themselves for the interests of their class as a whole. I admit that, and I do not say that actuated by these unselfish motives they may not still continue to be members of trade unions. But if they do, it will be against their interests, and the temptation will be very great for the best lives to leave the trade unions and join societies where they will get better benefits. If that is true, even within the limits of approved societies, what is it when you come down to the wretched outcasts who are deposit contributors? We have been accused a great deal this afternoon of a change of front, more or less, on this Bill. I am not going to say anything stronger on this subject than I said on the Second Reading. I pointed out, as every Member of the House recognised, that the condition of these deposit contributors is an utterly unjustifiable one. Mr. Lloyd George, I remember, interrupted me while I was speaking, and asked me what we would propose. I said that it was not my business to propose, but that if I were on that bench I would be glad to do so. As a matter of fact, as Mr. Worthington-Evans pointed out this afternoon, he did make a proposal which he believed would do away with this class. He brought it to the notice of myself and others on this bench before he proposed it, and I thought that it would be an immense improvement on the scheme of the right hon. Gentleman. It is quite likely—I do not deny it—that when subjected to criticism it might be found not to be workable. I quite admit that, but I do not think so. We have never had an opportunity of discussing it. Why? Because when my hon. Friend proposed, Mr. Lloyd George, who had been so lavish in his invitations to us to assist him, rose to a point of Order and prevented the matter being discussed. The intolerable position of these people is admitted by the Government. They have made their conditions under the Bill only last for three years. They admit the evil. But it is something more than that. Mr. Ramsay MacDonald said it can be remedied by Amendment afterwards. He is entirely wrong. The only way that this class can be relieved is by a contribution from the State; for once you have established a vested interest in these approved societies it is utterly impossible that this House can ever get them to agree to give part of their funds to help those who need it. What does that mean? It means that the Government are deliberately imposing in advance a new and a great liability upon the State, and imposing it when there was no necessity to do so if they had taken a statesmanlike method of dealing with the problem. I say that that in itself is a sufficient justification for our Amendment. This House has no right to pass a scheme for national insurance which has admittedly this defect: that it gives more to those who need it least, and it gives less to those who need it more.

III.—Not a properly thought-out Measure.

I take the third of the main grounds on which we say that this Bill shall be considered further: that is the ground that it is not a properly thought-out measure. On that point any of us could speak all night. I am only going to illustrate it by three considerations.

The first is the financial aspect of this question. I do not think the nation in the least realises what this Bill means from the financial side. Mr. Lloyd George always states the matter in connection with old age pensions. When these two schemes are in full operation the amount of money which will be disposed of in this way will be—I have not made a calculation of what then will be the amount of the National Debt—I think two or three times the annual charge on our National Debt. I am sure that it will amount to a larger sum of money than the whole of the revenue of any country in the world except the first six or seven great countries. I speak of the whole of the money dealt with. It is a prodigious sum, and surely worth while spending a little time on to be assured that it is dealt with in the best manner. There is something else to be said. Mr. Lloyd George has always spoken of the charge of those two burdens on the State as something like £18,000,000. It is nothing like that, and he knows it. Take old age pensions alone. They began under Mr. Asquith, the present Prime Minister, at £6,000,000. That amount has now doubled. [An HON. MEMBER: "More than doubled."] More than doubled, but that is only the beginning. Thirty years hence that charge will be more than double what it is now. That is not an estimate. . . It does not depend upon the growth of the population. Our population thirty years hence may be precisely the same as to-day, yet the charge for old age pensions will be doubled. [An HON MEMBER: "How?"] I think that ought to be pretty obvious. It is obvious to those who have followed the subject. It depends upon the number of the people born at the time which will bring them under the Pensions Act, and it depends upon the mortality rate. The number of people born forty years ago who will become old age pensioners thirty years hence, coupled with the steady decrease in the rate of mortality, means that there will be double the charge whatever happens. The Old Age Pensions Act is a fact. I do not suggest that any change should be made about it. The country has got to face that burden. But surely, as men of common sense, anyone responsible for this new scheme would say, inasmuch as the old age pensions is rolling up a debt for posterity, it is our duty in this scheme to see that we pay our full share to-day; and if there is any shifting of the scale it should be in favour of coming generations and against ourselves. Is that not common sense? That is naturally what would have been done if Mr. Lloyd George had given his honest 2d. a week from the beginning in the same way as the employers and employed have given their contributions. He does not do it. I can conceive no earthly reason why, except that by his present method, he is able to say that the State is giving 2d. when it is giving nothing of the kind. Had this Bill been introduced by any Minister except Mr. Lloyd George, and if Mr. Lloyd George had thought it his duty to do so—and we have all thought it was the duty of the Chancellor of the Exchequer to look after the stability of the national finances—whatever else would have been done this Bill would not have been financed in the way it has been financed. In private business the method which Mr. Lloyd George has adopted is everywhere recognised as the most rotten method that anyone can conceive. It is the method adopted by directors of companies who pay big dividends without looking at the liabilities which they know are confronting them. It is the method which brings such companies into the bankruptcy court, and very often brings the

directors to the prison cell. I have something else to say on the financial side. There is no man in this House, not excepting Mr. Lloyd George, who knows in the least what this burden will be when this scheme is in full operation—nobody! The actuaries have presented their report. I carefully studied it this morning. It goes up to the year 1932, but it takes no account whatever of the inevitable jump of the contribution of the State which must take place when the Sinking Fund has been made up. By the arrangement of Mr. Lloyd George the State has to pay two-ninths of all benefits. The moment the money necessary for the Sinking Fund is free the benefits will jump up. It must take place immediately. They may be deferred, but in that case the State will have to pay in the future not only the arrears of 2d. but it will pay two-ninths of the accumulations of interest which have accrued in all the approved societies in the country. I say, therefore, that there is nobody in this House who knows in the least what the ultimate burden on the country will be. I ask the House: is it reasonable, is it common sense, that we should allow such a scheme to go out of our hands until we at least know what the burdens are?

The only other illustration which I will give in further consideration is one which I referred to two or three nights ago. I pointed out then that upon one particular night 470 different questions were put from the Chair. I took that method of calling attention to it because I think that that illustration would perhaps touch the imagination of people outside. That was my object, but we in this House did not need any such thing. We knew it already. Mr. Lloyd George in his reply to me that night said these 470 Amendments, or the great oulk of them, were simply improvements made at our instigation. That is not in the least true; a great many of them were so made, but to say that the great bulk of them were made at our instigation is not the fact. But if it were true, what does it mean? He would not have put them in unless they were necessary, I suppose, and if the result of the limited discussion was to add 470 improvements, what would have been the result of free discussions? As a matter of fact, there were between thirty and forty Clauses out of the 114 Clauses, I think, which were never discussed in this House at all, either in the Committee stage or on Report stage. I have got a list of them here, and if I read their titles it would convince the House that there is a good deal of substance in my contention. I will only take the one specially dealt with by Mr. Lloyd George himself. That was finance. He said that was adequately discussed. What did he mean? We had an opportunity of discussing in some sense the financial proposal on the Financial Resolution, I admit that; but it was only a Second Reading discussion at best, and if Second Reading is all that is wanted, why take the Committee stage at all? If a Committee stage is required for anything, it is surely required more than anything else for the financial proposals of a gigantic Bill like this. As a matter of fact, the House of Commons during this Autumn Session has really had no more to do with the real difficulties of this Bill than the House of Lords. All the difficulties have been arranged in hole-and-corner meetings of some of which we have heard and lots of which we did not hear at all. And when under pressure of those different interests Mr. Lloyd George made up his mind he came down here and we registered his decrees. That is what we have done in the House of Commons.

Squaring the Labour Party.

If additional proof of the absurdity of the way this Bill has been carried through is wanted, take what is called the concession made even after the Report stage to the Labour Party. They have been very fond of Home Rule as a phrase, but they had the first sample of it as something more than a phrase, and they did not like it. I happened to read a very interesting letter by the Secretary of the Traders' Association. I kept it for another purpose and not for this Debate, and this is what the writer says:—

> "In the trade union movement we have little use for that kind of national sentiment which manifests itself in creation of division between people whose interests are identical, and the proposal to set up anomalies between one country and another. What the workers want is solidarity rather than nationality."

Mr. Lloyd George has squared the Labour Party. That is not a very difficult thing to do. The Master of Elibank is one of the most astute politicians we have got, and he made some remarks at the annual meeting of the Liberal Party which I think were very instructive. They were to this effect. I have got his actual words if necessary. "I think it is to our interests as a party that the Labour Party should be quite independent of us in the constituencies, but their co-operation in the House has been most useful and most fruitful." In other words, let them appear to be independent outside, but let them be in our pockets inside. That is an ideal arrangement, but I do not think it will last long. He squared these gentlemen, and surely they are easily squared. The undertaking he gave them is not a statutory undertaking at all. The change is to be made by the Commissioners. In answer to the Amendment moved by Mr. Forster, Mr. Lloyd George explained to us the other night that the Commissioners were quite independent, and had nothing to do with the Government. Therefore when the time comes for carrying out this promise they will carry it out, or not, as they think right in the interests of the Bill, as it left the House of Commons. That is the way these gentlemen below the gangway opposite have been squared. . .

False accusations.

Now Mr. Lloyd George has accused us of showing what he considers unfair hostility to this Bill. If I thought that were true I should regret it, and I should be ashamed of it. I recognise that Mr. Lloyd George has had a very difficult task, and I said on the Second Reading, when everybody was saying smooth things, that he would have a stormy passage. He has had a difficult position, and we can make allowance for that. But it is not true that we have altered our attitude in the least towards the Bill. On this point I will give the testimony of Mr. Lloyd George himself. At the end of the Summer Sitting he said:—

> "I say quite frankly that all these criticisms from both sides of the House have been exceedingly helpful, and the alterations made have been towards the improvement of the Bill. If we continue on these lines to the end, I hope we shall get a Bill which will be truly national."

Why did we not continue on those lines? Only at the end of the Summer Sitting he admits that we did. Until the guillotine was set up there was never any obstruction, none whatever, and there is not the slightest doubt if he had continued to the end as he began he would have received the same support from these benches to the end. Why did he not do so? According to him it is owing to misrepresentation. I always had great admiration for the courage of Mr. Lloyd George, but I never saw a better example of it than to-night. Mr. Worthington Evans had pointed out a misrepresentation made by him on his responsibility more scandalous than has ever been made on any Bill by any Minister in any Government. His attention was called to it, and he alluded to it in his usual way of dodging difficulties by saying Mr. Evans had made the charge in his absence, but with that charge unanswered he had the courage to accuse Lord R. Cecil of misrepresentation. A greater example of courage of a kind was never seen in this House or out of it. Mr. Lloyd George's point is that we began to make political capital out of it at the by-elections. Who began it? [HON. MEMBERS: "Kilmarnock."] No, Kilmarnock was not the beginning. Wait a moment. At the Hull election in June the following leaflet was sent by the Liberal headquarters to that election, and I have made inquiries about it. Until after that no leaflet of any kind against the Insurance Bill was sent from our central office. What is this leaflet? It is the picture of a working man ill in bed and Mr. Lloyd George with a copy of the Insurance Bill. If you look only at the picture we have no reason to take offence, but I think Mr. Lloyd George could bring a successful action for libel against the artist, because looking at the picture alone one would be more inclined to think he had come to pick his pocket. That was not, of course, the intention of the picture, and this is what it said:—

"The dawn of hope."

And this is the moral of it:

"Support the Liberal Government."

That was done before we had opposed the Insurance Bill in any way. Of course, the idea of thinking about elections is repugnant to the whole nature of Mr. Lloyd George, and he cannot understand it at all, but when he does a thing he does it thoroughly. He was not content with this leaflet. There has never been anyone in Mr. Lloyd George's position who thought so much about winning elections, and, to do him justice, I say that there is nobody who has been so good at it, and he kept something up his sleeve. He referred to the South Somerset election, and what do I find? This is not the case of an anonymous leaflet. A deputation of Somerset manufacturers saw Mr. Hobhouse, who was then Secretary to the Treasury, in July about an Amendment. Some of the members of that deputation came to our committee and told us that they had got a very unsatisfactory answer from the Financial Secretary. Then the South Somerset election comes on, and on 2nd November the Master of Elibank sends a letter, not to anyone in the House of Commons, but to an elector in South Somerset, stating that Mr. Lloyd George had come to the conclusion that a case had been made out for not compulsorily insuring married women, etc. That is the gentleman who accuses us of using the Insurance Bill for electioneering purposes. Obviously that was not the reason for the second nature coming into play.

The bond that has to be redeemed.

We all know it is one of the penalties the country has to pay for having a Government in office and not in power. They have signed their bond. For two years they have been allowed to swagger about like free agents, but next year the bond has to be redeemed and for that reason, whatever the effect of the Bill on the millions of people in this country, it must be shoved aside so that the bond may be paid. Now Mr. Lloyd George is coming to prophesy about the future. He gave a hint of it to-night at the end of his speech. He put it more clearly in his sermon at the Tabernacle. He says that we who are refusing to shut our eyes and open our mouths and swallow whatever he gives us—I am not giving his exact words—will be praying soon for a cloud of oblivion to come down and cover our deeds. That is the prophecy. Carlyle once said, "You cannot argue with a prophet. You can only refuse to believe him." I do refuse to believe him. I have never, certainly in my time in this House, given any vote with more absolute certainty that I was consulting the best interests of the country than I shall give it to-night, and if a cloud of oblivion is required it will not be for those who have decided in, as near as I can recall, the words of the Amendment that this Bill is unequal in its operation and should be further considered by this House.

Parliamentary Debates, Cols. 1500-14.

Extract from the speech of the Marquess of Lansdowne on December 11th, 1911, in the House of Lords.

THE HISTORY OF THE BILL.

There are doubts to be removed, misgivings which require to be allayed, and inequalities which require to be redressed.

Can we be surprised that this should be so when we consider the history of this measure? It was introduced without any previous investigation, so far as I am aware, by the Government. I do not believe there is any precedent for any measure of social legislation of this magnitude ever having been attempted without some previous inquiry. I have no doubt there were some communications with the friendly societies, but there was nothing like a full and proper inquiry into the whole subject in all its branches. The noble viscount referred to the precedent of Germany, which he said, I think, was instructive. I am told that in Germany there were inquiries which lasted three or four years before any legislation was attempted in regard to National Insurance. Even then, as we are aware, that legislation turned out unsatisfactory in a good many points and had to be the subject of legislative amendment. Yet we know as a fact that the Chancellor of the Exchequer expected to get his Bill through Parliament in the month of August this year. Now it comes to this House swollen with numerous amendments scarcely recognisable by those who studied the original Bill. At every stage of its progress it has been tinkered and transformed, and now in, I might almost say, the last hours of the Session we are asked to address ourselves properly to the task of revising this Bill. The original Bill contained 87 clauses and covered 78 pages. The Bill now on the Table now con-

tains 115 clauses and covers 140 pages. There is hardly a paragraph of the Bill that has not been rewritten and transformed. In the Committee stage of the House of Commons on Part I. of the Bill no fewer than 32 clauses were put through without detailed discussion, 18 new Government clauses were put through in a single night under the guillotine. On the Report stage 77 clauses were not discussed at all and 70 were altered by the Government without discussion. No fewer than 470 Government amendments were put through on the Report stage. As to Part 2, which was sent to a Committee upstairs, 16 out of 25 clauses were not discussed at all on the Report stage. It is quite true that a great many of these alterations were made in order to meet criticism, but will it be contended that because that is so the right of free discussion which has hitherto been extended to us on every great Bill should not be allowed on this? My Lords, I venture to think that we Unionists were not unreasonable when we asked that the House of Commons should not part with this Bill until it had been further considered. And I cannot but think that the Government were not altogether reasonable when they met that demand by the charge that we desired to wreck and obstruct the Bill.

The vital question.

I come to the vital question which we have to ask ourselves this evening—What ought this House to do with the Bill on the table? Perhaps we ought first to ask what can we do. We naturally turn to that fragment of a written Constitution with which his Majesty's Government presented the country in the month of August. Under the Parliament Act the House has a right in ordinary cases to claim three rejections and a period of two years for the examination of a doubtful measure, but in this case I am not sure that the conditions laid down by the Parliament Act have been complied with. Under that Act this House is entitled to a full period of one month before it disposes of a measure. We are to be put off with a few days only, and I therefore take it that, if we were to reject this Bill, that rejection could not be counted as one of the three rejections to which we are entitled. That seems at any rate arguable. If I am right, we are in this position: that we could, if we stood upon our privileges, claim four rejections altogether and a period of two years, dating not from the second reading this last spring, but from the second reading of the measure next year whenever it might be reintroduced into the House of Commons.

Hanging up the Bill.

That would extend our period of delay to a date somewhere in the year 1914. But it seems to me we are bound to ask ourselves what we should gain, what the country would gain, were we to insist upon our full rights. I venture to suggest that we ought to think twice before we embark upon a conflict which in my belief would be not only long and probably bitter, but also infructuous. Our attitude, as I conceive, is anything but one of uncompromising hostility to this Bill. We wish it to be dealt with, we do not desire there should be any needless delay. I agree with the noble viscount when he told us that in his view a long postponement of legislation upon this

subject would be for many reasons most unfortunate. But even if we were to claim the full period to which we are entitled, could we have any security that the Bill would in the meantime have any chance of being materially improved? Noble lords opposite would not be able to alter and improve the Bill, because they would have to return it to us under the Parliament Act in the identical shape in which they presented it at first. We on the contrary on our side would probably stand a very poor chance of obtaining in such circumstances a calm and dispassionate consideration for the amendments we might desire to suggest. Quite apart from the attitude which the Government might be expected to adopt in reference to the changes proposed by your lordships, we have this most important point to consider. This Bill is not a Money Bill, but it is a Bill which spells money at every clause, and I regard it as absolutely certain that if your lordships were to set to work to alter and amend it, you would be met at every turn by the claim of House of Commons privilege. We have had in this House painful experience of the manner in which that claim has been insisted upon by the other House of Parliament. I am sure many of your lordships remember a leading case that occurred when we were dealing with the Old Age Pensions Bill, when an amendment which everybody knew was an improvement was contemptuously sent back by the House of Commons, when the Prime Minister observed that the moment was not one for relaxing the privilege of the House of Commons, and yet we all know the amendment was afterwards embodied in a Bill which was passed with everybody's consent. Therefore I should not look forward with any hope or anticipation to a struggle with the other House of Parliament over the amendment of the Bill on the table. I am afraid that if we were to hold up this Bill for amendment, we should find ourselves embarked in a long and bitter struggle, during which the hands of this House would virtually be tied. There would be regrettable delay, our action would be misrepresented, and I am afraid that in the end we should be able to achieve very little.

The attitude of Unionist Peers.

We have no wish either to wreck or to defer its operation for two or three years. What we hoped for was that there would be breathing-space given in the other House of Parliament, breathing-space for the classes affected, breathing-space for his Majesty's Government to take stock and to amend their Bill, breathing-space above all for the House of Commons, which is not hampered by privilege, in whatever way might seem to it necessary. That interval might have been turned to good account. There might have been an inquiry—a Royal Commission or a Joint Committee, I do not care which—to examine the possibility of dealing with some of the blots in the Bill, and then it might have come up to your lordships' House, not as the hurried outcome of a controversy, but as representing the deliberate and matured judgment of the other House of Parliament. But that breathing-space, as we all know, was refused peremptorily, and we know very well why. We know that the Government have other liabilities to meet next Session of Parliament, and we know that the inclusion of this Bill between the interstices of Home Rule, and popular representation, and Welsh Disestablishment, would not be exactly convenient to his Majesty's

Ministers. From the moment that reasonable request was refused in the House of Commons it does not seem to me to matter greatly whether this House takes a few days more or less for the examination of this Bill.

The suggested Referendum.

May I say one word as to the alternative proposal, which has received a good deal of influential support? It has been suggested that your lordships might pass this Bill tacking on to it a clause under which it would be necessary that the measure should be referred to a poll of the people. That is, I admit, a plausible and attractive suggestion, but I should be slow to recommend it to your lordships. I think there are obvious reasons. In the first place, there is at this moment on the Statute Book no machinery for the Referendum. If we were to endeavour to legislate for that purpose we should find ourselves involved in a controversy, not on the merits of the Bill, but on the merits of the Referendum as a piece of Constitutional machinery. What seems to me more serious still is that if this procedure were to be adopted the electors would be placed in the position of having to choose between the Government Bill and no Bill at all. That is not a dilemma we should like to face. We desire the Bill to pass, and we desire it to be amended in very important particulars. I am afraid that resort to the Referendum in these circumstances would only result in a misleading and, therefore, mischievous verdict. Our choice, then, I conceive, is between the alternatives indicated by the noble viscount. We have to choose between this Bill, with all its defects, with all the friction and the litigation to which we believe it will lead, with all its mistakes, some of them, I am afraid, irreparable—we have to choose between the Bill and two or three years of bitter and distracting controversy between the two Houses, of controversy which would probably in the end be absolutely fruitless.

The final decision.

My lords, we have come to the conclusion that the acceptance of the Bill is the wiser course for this House to take. There is only one thing which we will not advise your lordships to do and to which I certainly decline to be a party—I mean a sham attempt to revise this Bill in the few days at our disposal—an attempt that would be handicapped, on the one hand, by the limited time at our disposal, and, on the other, by the knowledge that the greater part of the Bill is of a nature which we are unable to touch or to amend. Such an attempt would be made with a certainty that we could not insist upon most of our amendments, and, worse than that, that we should be saddled with a share of responsibility for the injustice and extravagance which are written large upon many of the provisions of the Bill.—*Times*, December 12, 1911.

TREATMENT OF THE BILL IN PARLIAMENT.

By J. SEYMOUR LLOYD, Draftsman to the Unionist Amendment Committee.

The theory of legislation is that the passing of the Second Reading of a Bill indicates that the House which passes it assents to the general principles of the measure. Discussion of detail takes place on the Committee Stage when each Clause is normally open to minute examination and if necessary to amendment. The next, or Report Stage, is intended to provide a further opportunity for close examination clause by clause. Finally, the Motion for Third Reading affords an opportunity for the review of the Bill as it has been altered in consequence of the criticism to which it has been subjected by the House. Before it becomes law a Bill has, of course, to pass in both Houses of Parliament through the various stages just described.

It is obvious that the careful examination of every clause of every Bill by Parliament is very necessary. A Bill is the proposal for a law and if passed it must affect the people of the country more or less directly. Few Bills which have come before Parliament more directly affected the interests of a large proportion of the population of the United Kingdom than the National Insurance Bill. It is of importance, therefore, to note the manner in which this far-reaching measure was passed through the Legislature by a Radical Ministry.

The Bill was introduced on the 4th May, 1911, and the Second Reading was agreed to without a Division on the 29th May, its general principles being thus approved. Before the Committee Stage was entered upon the Government contemplated moving a Resolution to limit discussion. The intention was, however, abandoned in view of the criticism it aroused, and on the 3rd July in answer to a question on the subject Mr. Asquith said :

> " I shall be guided in our future action by the progress made with the Measure."

Proceedings in Committee began on the 5th July and were suspended on the 4th August, seventeen Clauses having been dealt with. The Chancellor of the Exchequer then said :—

> " We have now had twelve days in Committee and I think the progress that has been made has been very satisfactory on the whole. The debates have not been controversial in character. If I may be allowed to say so, I think the Committee have responded to the invitation of the Government that the House as a whole should take a part in moulding and fashioning the Bill."

Nevertheless, before the House reassembled in the Autumn the intention of the Government to propose limitation of discussion was announced. On the 25th October a drastic Guillotine Resolution was carried, allocating sixteen days to the remainder of the Committee Stage on Part I. of the Bill (Health Insurance), Part II. of the Bill (Unemployment Insurance) being relegated to a Standing Committee

upstairs, although, curiously enough, a proposal to this effect had been strenuously resisted by the Government before the Summer adjournment.

The Committee Stage of Part I. of the Bill concluded on the 21st November. In addition to Clauses which were only partially discussed in Committee owing to the Guillotine Resolution, thirteen clauses of the Bill were passed without a word of debate, and on one night eighteen new Clauses were added by the Government without the House being afforded the opportunity of one word of discussion, thirty-one clauses thus becoming part of the Bill. The following is a list of the *new* Clauses inserted:—

Pooling arrangements in the case of small societies (now Section 39).
Protection against distress and execution in certain cases (Section 68).
Local Medical Committees (Section 62).
Special provisions in regard to societies with branches (Section 40).
Power to extend Sanatorium benefit to dependants (Section 17).
Provisions as to men over 65 at commencement of Act (Section 49).
Exclusion from Insurance of persons under 16 (now included in Section 1).
Power of Councils of Boroughs and Districts to contribute to certain expenditure on Medical and Sanatorium Benefits (Section 22).
Power of Societies to undertake business under Part I. (Section 24).
Procedure for making Special Orders (now included in Section 113).
Powers of the Local Government Board (Section 77).
Special Provisions as to Seasonal Trades (Section 50).
Part Payment of contributions by the State in case of low paid labour (now included in Section 4).
Special provisions as to inmates of Charitable Homes (Section 51).
Interpretation (Section 79).
Joint Committee of Commissioners (Section 83).
Establishment of Commissioners for Wales (Section 82).
Provisions as to Birth Certificates (now included in Section 114).

Schedules 2, 3, 4 and 5 were also passed without debate in Committee.

For Report Stage of the *whole* Bill (*i.e.*, Parts I., II., III., and ten Schedules) five days were allotted, and the whole of the time allotted by the Government to Part I. of the Bill was taken up with the discussion on proposed additional Clauses which on Report Stage are considered first. The result was that not one word of the 77 Clauses in Part I. of the Bill was open to consideration, although there were over 700 amendments on the paper. Out of these some 470 were Government amendments which were inserted under the Guillotine, and, therefore, without discussion. Not only, therefore, were the whole 77 Clauses passed without further examination in detail, but

70 of them were subjected to greater or less alteration by the Government without the House of Commons having any opportunity of discussing the alterations so effected at the last moment. Mr. Bonar Law protested in his place against these proceedings, and the Unionist Party left the House.

With regard to Part II. of the Bill (Unemployment Insurance) discussion on the Standing Committee proceeded satisfactorily and was completed on the 16th November. When, however, it came back to the whole House of Commons for consideration on Report, out of 25 Clauses 16 were passed entirely without discussion owing to the operation of the Guillotine.

Part III. of the Bill and the greater part of the Schedules also passed without discussion on Report.

The Third Reading of the Bill was fixed for the 6th December, when the following Resolution was moved by Mr. H. W. Forster, M.P., on behalf of the Unionist Party :—

> "That while approving the objects of national insurance, this House is of opinion that under Part I. of the Bill public funds and individual contributions will not be used to the best advantage of those most closely affected and that, as the Bill has been neither adequately discussed in this House nor fully explained to the country, and would in its present form be unequal in its operation, steps should be taken to enable further consideration of Part I. to be resumed next Session, and in the meanwhile to have the draft regulations published."

The Resolution was rejected by 320 against 223 votes. The Third Reading was then passed by 324 votes against 21, a division being challenged by Labour Members. Eleven Unionist Members voted against the Third Reading of the Bill, but as a Party Unionists abstained from voting, their views having been already expressed by Mr. Forster's Resolution.

The Bill was sent up to the House of Lords on the 6th December, and its Second Reading was moved by the Government on the 11th. Lord Lansdowne, having reviewed the Bill and the extraordinary procedure by which it had been passed through the House of Commons, declined to take part "in a sham attempt to revise the Bill in the few days at their disposal," and also on the ground that any substantial amendment of the financial provisions of the Bill by the House of Lords would be met with a claim of privilege by the House of Commons. The Committee Stage (when with a few exceptions the amendments proposed were brought forward by the Government) was taken in the House of Lords on the 13th December, the Report Stage and Third Reading on the 15th December, when also the Lords' amendments were considered by the House of Commons. The Royal Assent was given on the 16th December, when the Session ended.

Whatever be the merits of the Bill, no unprejudiced person can follow the plain facts concerning the procedure adopted by the Government during the Autumn Session without realising that both Houses of Parliament, in a matter closely touching the people of the country, have been reduced from legislative bodies to formal assemblies for the registration of decrees promulgated by the Cabinet of the day. Ministers mouthing democracy have emasculated representative Government and have subjected the country to the uncontrolled tyranny of Radical autocracy.

THE FINANCE OF THE ACT.

By L. S. AMERY, M.P.

The Insurance Act is essentially and primarily a great financial measure. It imposes upon the employers and employees of this country a direct burden of taxation amounting to over £13,000,000 in the first year, and rising to nearly £23,500,000 by 1932. To the revenue thus raised—a revenue comparable to the whole national revenue of the Commonwealth of Australia, or of the Kingdom of the Netherlands—the State is to contribute a further sum equivalent eventually to two-sevenths of the total amount raised from employers and employees. More than half of this money is redistributed in cash, in the form of sickness, disablement, and maternity benefits; the remainder goes partly to medical attendance and sanatorium treatment, and partly to the cost of administration of the scheme. To insure the success of such a measure, it is essential that it should be based on a sound financial framework, that the actuarial calculations by which it is supported should be reliable, that the administration should be as economical as possible, and that the benefits given should represent the greatest possible return to those who are compelled to contribute, and, in particular, to those who are most in need of insurance. Last, but not least, it is essential that it should be an assistance, and not a handicap, to the industries upon which the prosperity of every class of the nation depends.

Unfortunately, the finance of the measure is rotten through and through. The State contribution is settled on principles which are absolutely contrary both to sound national economy and to sound insurance. The actuarial calculations are wholly inadequate for a measure of such immense complexity, and, in one respect at least—the cost of medical benefit—are based on an open disregard of known facts. The scheme is full of provisions making for costliness of administration. Further, the unsound finance of the scheme will directly set up a system of competition for the best lives and of exclusion of the worst lives, with the result that at least a million, probably even more, of those most in need of insurance will not be insured at all, while, generally speaking, wherever the need for help is greatest there the benefits conferred by the scheme will be lowest. The last thing those who most need insurance will get out of the Act is the "ninepence for fourpence" so freely promised them. As for the industries of the country, there is no attempt whatever to make it easier for them to bear the heavy additional burden of taxation suddenly imposed upon them.

The deferred payment dodge.

To begin with the State contribution. To understand the principle on which it is given, there is one clue which it is necessary to keep clearly in mind all the time. And that is Mr. Lloyd George's fixed determination to claim for himself the full credit of a State contribution of 2d. a week towards the 7d. contributed by employers and employees, and at the same time to avoid really paying anything approaching that sum during his own term of office. To achieve that object the payment of the State contribution is postponed by a variety of devices; indefinite liabilities are being imposed upon the taxpayers and finance ministers of the future; grave injustice is being inflicted upon insured persons in the present; and all to simplify matters for Mr. Lloyd George, the miracle worker.

The first of these devices is that, instead of contributing 2d. a week, or two-ninths of the total contributions required to build up the insurance fund, out of which the increasing liabilities of the future have to be met, Mr. Lloyd George only proposes to give two-ninths of the benefits actually paid out. He thereby avoids all contributions whatever from the Exchequer during the first six months, while employers and employed are contributing week by week. He pays nothing towards disablement benefit for two years. He contributes nothing towards the reserve required to meet the fact that the heaviest calls upon the fund will only come in gradually. He contributes nothing to the margin of safety on current expenditure insisted upon by the actuaries. Lastly, to whatever extent insured persons avail themselves of the option, included in the Bill at the last moment, to insure for invalidity or old age pensions, instead of sickness benefit, he will still further evade his share of the necessary contributions and impose it, with heavy accumulated interest, upon his successors.

The "reserve values" swindle.

More intricate, but no less dishonest and unfair, are the devices by which the reserve values scheme has been manipulated. To understand this scheme, it is necessary to keep in mind that the benefits under the Act are provided by a flat rate of contribution regardless of the age of the insured persons. To make this possible, the Act begins by calculating the whole scale of benefits on the basis of an age of 16 at entry. The rate appropriate for that age is obviously insufficient for persons entering later in life. Upon these older lives there will accordingly, sooner or later, be deficiencies which will be very considerable over the next forty years, and which will not be completely wiped out till the last person now entering insurance over sixteen years of age reaches the age of 70, i.e., some fifty-three years ahead. The total aggregate of these deficiencies is represented by a present capitalised value of £86,000,000. On the basis of contributions established in the Act £66,000,000 of this will fall on the Approved Societies, while £20,000,000 will fall on the State.

Now, in dealing with these sums, Mr. Lloyd George has pursued exactly the same method as in dealing with the contributions to ordinary benefits. The Societies are to provide their share at once in the shape of an imaginary loan of £66,000,000, which is to be wiped off in $18\frac{1}{4}$ years by a weekly deduction of 1 5-9d. from the contributions

made in respect of each employed man (1½d. for women). The State, on the other hand, is only to pay its share of the deficiencies as they occur over the next fifty-three years. To understand to what an extent the payment by the Societies is hastened forward, and payment by the State postponed, it is necessary to keep in mind that the deficiencies do not actually begin to arise till after the age of 50, and only become really heavy after 60. Only a very small fraction of the total share of deficiencies for which it is liable will consequently be paid by the State during the next few years, and at the end of 18¼ years, when the Societies will have paid off, or provided for the whole of their liability, the greater part of the State liability will still be unpaid. To estimate the burden which will then have to be faced by future Chancellors of the Exchequer, it is necessary to bear in mind that £20,000,000 represents the liability on the State share of the deficiencies only if capitalised now. The amount which will actually have to be paid out on the Lloyd George principle of deferred payments will be fully twice as great.

There is a further feature of the scheme for providing the reserve values which throws an interesting light on the financial methods of the Chancellor of the Exchequer. The period of 18¼ years in which the Societies have to wipe off the whole of the £66,000,000 imaginary loan to cover future deficiencies is extraordinarily short compared with the 40 or 50 years usually allowed in the case of municipal loans, or the 68½ years provided for loans under the Irish Land Act. The redemption charge is in consequence extraordinarily high, amounting to a deduction of 22 per cent. from the insurance fund. The whole cost of presenting the older men entering insurance with a free gift, worth as much as a shilling a week in the case of those approaching the age limit of 65, and conferred regardless of their means or their need for insurance, is thus imposed upon the young men now entering the scheme between 16 and 32, and upon those reaching the age of 16 in the next 18 years. There is no reason whatever why this particular limited class should have been selected to bear the whole burden of endowing their elders, and it would be much fairer if the period of redemption were lengthened so as to spread the deduction over a much larger number of persons, and at the same time diminish the incidence upon each individual.

There is no real justification for the way in which the insurance of the youth of the present generation has been cut down for the benefit of their elders. But there is an explanation, and a very simple one. The short period of redemption is only another of Mr. Lloyd George's devices for postponing the State contribution. A short period means a very high deduction from the insurance fund. A high deduction means a smaller amount left in the fund for providing benefits. Low benefits at the start mean a smaller contribution by the State. The point is, perhaps, best illustrated by giving an exaggerated instance. If Mr. Lloyd George had fixed the period of redemption as low as 4 years, he would have had to take 6d. a week out of the 7d. contributed, leaving only 1d. for the provision of benefits. His own contribution would thereby automatically have been reduced to an outside total of 2-7d., or only just over ¼d., till the 4 years were over, when the two-ninths would have risen at a bound to a real 2d. Under the scheme in the Act, the fund available for

benefits is reduced from 7d. to 5 4-9d. by the deduction of 1 5-9d. As long as the redemption scheme is in operation, the State contribution to ordinary benefits cannot therefore possibly exceed two-sevenths of 5 4-9d.; in other words, 1 5-9d. The State share of the deficiencies on the older lives will also be kept down proportionately during the same period.

Reckless finance.

How successful Mr. Lloyd George has been in managing, by this combination of devices, to avoid paying the 2d. he professes to pay, can be seen from the fact that on next year's Budget the actuaries have estimated for a State contribution, not of over £4,500,000, which would be the produce of a real 2d. contribution, but for only £1,338,000, or less than 3-5d.* For 1913-14, the State contribution will amount to £3,677,000, or a little over 1¼d., and for 1914-15 to £4,148,000, or about 1 2-5d. Over the whole period of the operation of the scheme falling within the next three financial years, the average State contribution works out at 1⅛d. That represents the maximum contribution Mr. Lloyd George himself is ever likely to make! But the payments which Mr. Lloyd George has evaded so ingeniously during his own tenure of office will fall upon his successors with a heavy accumulation of interest. Not only will the charge mount steadily during the next eighteen years, but at the end of that time it will go up with a sudden bound. The release of the 1 5-9d. by the completion of the redemption period will at once increase the State's contribution to benefits by 4-9d., or something like £1,600,000 a year. To this must be added the maturing liabilities of the preceding years, and the increasing burden of the State share of deficiencies on the older lives, all on the higher scale of benefits. Mr. Lloyd George has carefully avoided giving any estimates of what the total charge on the taxpayer in this respect will eventually amount to, but the author of the striking financial articles published in "The Times" last summer estimates the figure as high as £14,000,000 in 30 to 40 years' time. As the Old Age Pensions will by then have reached some £28,000,000 a year, the total burden to which the next generation of taxpayers are committed by Mr. Lloyd George's finance will amount to over £40,000,000 a year.

Where the insured lose.

Unsound as Mr. Lloyd George's faked finance is from the national point of view, it is no less prejudicial to the interests of those who are insured under his scheme. With a fair and reasonable scheme for redeeming the reserve values, it would be possible, both to give better initial benefits, and to save the pockets of the taxpayer. A deduction of 7-9d., instead of 1 5-9d., for redemption purposes, involving redemption in something over 60 years, would leave 6 2-9d., instead of 5 4-9d. in the insurance fund available for benefits. A State contribution of only one-ninth or 7-9d. would be sufficient to bring this up to 7d.; in other words, to provide as good benefits as are now provided by the Bill. A State contribution of one penny would give

* Including Navy and Army, but excluding contributions in respect of deposit contributors, married women voluntarily insured, and the subsidy to low wage earners.

slightly better benefits, and would save the taxpayer on an average £1,500,000 a year. A State contribution of 1½d. would give very much better benefits, and still allow for a slight saving to the taxpayer. It is true there would be no automatic sudden rise of benefits at the end of 18¼ years. But there would be nothing in the world to prevent the Chancellor of the Exchequer of that day raising the State contribution to 2d., and so increasing benefits—if the condition of the country's finances warranted it—and if the increase of the benefits under this scheme should then appear to be the most urgent social need to which the taxpayers' money could be devoted. There is no earthly reason why a heavy and wholly unnecessary liability should be imposed now upon the taxpayers of the future, and their hands arbitrarily tied, except just one—the determination of Mr. Lloyd George to claim the credit for a 2d. State contribution which he neither has the means nor the inclination to pay.

The shaky actuarial foundation.

So far the criticism of the finance of the Act has been confined to its actual framework, and has taken for granted the actuarial estimates on which it is based. But those estimates—treated throughout by Mr. Lloyd George as indisputable—are to a very large extent mere guesswork. This reflects no discredit on the official actuaries, who, indeed, have taken reasonable care to safeguard themselves in their reports. Their estimates are, to begin with, based on the experience of the great Friendly Societies, more particularly the Manchester Unity. But it is quite impossible to be sure that the claims for sickness and medical benefit under a compulsory State scheme, sweeping in all sorts of persons, will not be very seriously in excess of these estimates. More especially is this likely to be the case with women. The actuaries' estimate for disablement benefit assumes that the figures in the case of women will be the same for men in the Friendly Societies, and that only one in five will be disabled at the age of 70. That, on the face of it, seems a most dangerous underestimate.

Again, the actuarial estimates for cost of administration were, even in the first instance, probably taken too low in view of the certainty that, under a State scheme, unremunerated or barely remunerated voluntary workers will largely be superseded by paid officials. Since then the cost of administration has been increased in every direction: by the creation of four wholly separate schemes for England, Scotland, Wales and Ireland; by the transfer of the medical benefit to the local Insurance Committees; by the whole host of complicated optional and additional schemes introduced hurriedly, and with little thought of their relation to the measure as a whole. But no allowance has been made in the revised estimates for this additional cost. Still more amazing, no allowance has been made—and the actuaries have flatly declared that they cannot make it—for the fact that there is now not the slightest prospect of the medical benefit being provided at the estimated rate of 4s. 6d. for the doctors, and 1s. 6d. for drugs. That estimate will almost certainly be exceeded by 50 per cent., and the chances that the local authorities will be prepared to step in and, together with the Treasury, make up the difference are, to say the least of it, remote.

A vicious competition.

It is extremely doubtful whether the narrow margin of less than ½d. left after the many alterations which the Bill underwent in its later stages, will be sufficient to cover anything approaching the increase of actual cost over the estimates. If not, then benefits will at once have to be reduced. For it is essential to remember that the so-called "minimum benefits" of the Act are in no sense minimum benefits guaranteed by the State, but merely initial benefits based on very doubtful estimates of the average expectation of sickness for the whole of the insured population. *There is no State guarantee of benefits*—only a State subsidy towards such benefits, small or large, as may be paid out.

More than that, the whole financial framework of the scheme makes it certain that large sections of the population will never be able permanently to secure benefits as good as the so-called "minimum benefits," and that at least a million will not be insured at all. By allowing the Societies to make all the profits they can out of the employers' contributions, and still more by the system under which the State contribution is given as a subsidy to benefits actually paid, the Societies will be forced to compete with each other to secure the best lives and reject the worse lives. Those who do so most promptly and ruthlessly will rapidly accumulate surpluses out of which they can give larger benefits and so secure a larger State grant. By doing so they will be in a still stronger position to select their lives, and, in consequence, to accumulate yet larger surpluses. Those who fail to do so will not only see their benefits reduced, or their contributions raised, at the first valuation, but will see all their healthiest members desert them and transfer to their more successful rivals. The healthy and well-to-do will be grouped in one set of Societies and secure ever-increasing benefits. The poor and weak, above all the weaker old persons, will be grouped in another set, where the benefits will tend steadily to go down.

In the vicious competition thus set up among the Approved Societies an enormous amount will depend on the first start. It will pay Societies handsomely to "sweeten" their initial benefits with the help of any money that they may possess outside of the contributions paid under the Act. This will be possible and worth doing for the great industrial Societies who wish to secure clients for their life or funeral insurances and to save expenses of collection. It will also be possible and worth doing for a trade union anxious to increase its membership. It will not be possible for a Friendly Society. For, though it is true that the Friendly Societies, through the reserve values scheme, receive a bonus of over £20,000,000 by the releasing of their reserves, they are compelled by Clause 72 to distribute this bonus in benefits to those who were already members when the Act was passed, and cannot use any of it for the purpose of attracting new members. A further disadvantage of this unhealthy competition is that it will encourage bad finance in the Societies themselves For those Societies that cut their reserves down lowest and pay the largest immediate benefits will not only secure a larger State grant at the time, but

will also be in a stronger position to secure the good lives and so make sure of larger State grants in the future.

At the bottom of the scale come those whom no Society will accept. These will include the bulk of the consumptives and other victims of chronic disease, as well as most of the older men whose health is below the average standard on which their reserve value is based, and who would thus be a losing investment to any Society. Most of these will be forced to become deposit contributors; in other words, being most in need of insurance, they will receive no real insurance at all. The case of the older men is made all the more unfair by the fact that as depositors they will receive none of the millions distributed in the shape of reserve values, which will in fact go almost entirely to those who are either insured already, and so do not really need help, or to those who are above the average in health and therefore much less in need than themselves.

A remedy: the Central Fund.

The evils of this unhealthy and unsocial competition, culminating in the utterly unsatisfactory position of the deposit contributors is in no sense, as Mr. Lloyd George has argued, a necessary consequence of a scheme based on the maintenance of self-governing Societies. It is a purely self-created evil due to the vicious finance of the particular scheme to which Mr. Lloyd George is wedded. It could be obviated to a considerable extent by making the State contribution a real contribution to insurance and not a bonus on benefits. To get rid of it altogether it would be necessary to restrict the Societies' right to make profits to the contributions of their own members, and to keep the contributions from employers and from the State in one central fund. The contribution from this fund to the benefits paid out to any insured person would not be proportionate to the benefits produced by his own individual contributions in his own particular Society, but would be based on the average health of the whole body of insured persons. In other words, the insurance would to the extent of four-ninths be by Societies, the Societies reaping the reward of good management in surpluses on the four-ninths; but to the extent of the remaining five-ninths it would be truly national. There would be no one excluded from insurance, for even the worst conceivable life would always get at least a five-ninths insurance, and there would consequently be no necessity for thrusting anyone out on the scrap-heap of the deposit scheme. The money provided by employers and tax-payers would be devoted, not to subsidising a competition among Societies in which they have no direct interest, but in promoting a really national system of insurance. Incidentally, the employers would be able to secure on such a central fund that real representative control in the spending of their money which is entirely denied them by the Act as it stands. As for the Societies, they would not only have the full disposal of the funds contributed by their own members (the cumbrous provisions for allowing them to draw four-sevenths out of the Insurance Fund for investment purposes would, of course, become superfluous), but would naturally be given a much freer

hand than under the present scheme. This suggestion of a central fund was strongly pressed upon the Chancellor of the Exchequer by Mr. Worthington Evans, but rejected—a most unfortunate decision for the whole future of national insurance, for it will be very difficult, perhaps even impossible, to establish such a fund once the Act has been in operation for any length of time and Societies have acquired a vested interest in the existing system.

The effect on industry.

As regards the effect of the measure upon industry, it is obvious that a charge of nearly £22,000,000 a year (for health insurance alone) would be a serious handicap to our manufacturers, even if the burden were only borne as a part of the general taxation of the country. But it becomes much more serious when some £8,000,000 out of the total are imposed directly and exclusively upon employers, not in proportion to their profits, but in proportion to the number of persons in their employ. In some cases, no doubt, where profits are high the tax will simply be paid out of those profits. But those cases will be the exception. Normally, the employer's first attempt will be to transfer the tax on to his customers. But where competition is severe, whether in the export trade or in the home trade, that will mean a loss of business to the employer and of employment to his employees. Sooner than face this, the latter will in most cases be compelled to acquiesce in reductions of wages or in postponements of rises when rises would otherwise be due. This state of things is not calculated to improve those social conditions, based on low wages and irregular employment, which are the real root of the evils which national insurance attempts to alleviate.

Mr. Lloyd George's contention is that his Act will create an increased efficiency in the working classes which will more than compensate employers and employees for the special tax put upon them. Assuming that to be the case, the fact still remains that the increased efficiency will only come about very gradually in the course of the next generation, while the handicap of the tax will operate immediately. It is to bridge over just such a purely temporary handicap that even ardent Free Traders, like Mill, have approved of protective duties. In Germany national insurance was not introduced till a secure foundation had been provided by a national tariff. It is only in this country that the attempt is being made to base social reform on the quicksand of Free Imports.

"Ninepence for fourpence."

It will not be difficult, in the light of the foregoing analysis of the financial provisions and economic effects of the Insurance scheme, to appraise at its true value the claim that it bestows "ninepence for fourpence" upon those who are compelled to insure under it.

To take the 9d. first. The "minimum," or rather initial benefits are undoubtedly only equivalent to those which could be secured in a well-managed existing society for 5d. a

week by a person entering at the age of sixteen. A reasonable scheme of redeeming the reserve values necessary to enable persons to come in at all ages could, as has already been shown, be provided for 1d. (*i.e.*, 7-9d. out of the insurance fund and 2-9d. out of the State contribution). The average value of the benefits under the Act can therefore be fairly reckoned at 6d., or when the margin is drawn into use, at 6½d., though, of course, the benefits actually secured by those who most need insurance is likely to be very considerably less. Of the remaining 2½d., over 1d. disappears in increased cost of administration and in lower rate of interest on that portion of the fund which is invested by the Insurance Commissioners. The rest is accounted for, as has been fully explained above, partly by the excessive deduction for redemption, partly by the fact that the State contribution is not 2d., and will not be anything like 2d. for many years to come. After the redemption is completed these amounts will be liberated, and the real value of the benefits will rise to something not very far below 8d.

Next let us take the 4d. That the employee will pay this there can be no doubt. But from what has been pointed out already he will obviously, either as consumer, in the cost of his goods, or as wage-earner, in the shape of reduced or postponed wages, pay a large proportion—probably as much as 2d.—out of the 3d. imposed on his employer. As one of the general body of taxpayers he will also pay his share, roughly one-half, of the State contribution, amounting to some ¾d. in the earlier years of the scheme to about 1¼d. after the termination of the redemption period.

The true financial aspect of the whole transaction for the averagely healthy individual can now be stated. During the first period it will be approximately 6½d. worth of benefits at a cost to him of 6¾d. After eighteen years or more it will be 7¾d. worth of benefit at a cost of 7¼d. *For those who most need insurance the figures will be decidedly less favourable.* This, not "ninepence for fourpence," is the correct financial estimate of the wonderful bargain that has been forced upon the people of this country—forced upon them with no adequate discussion of any of its complicated provisions, but least of all of the vital provisions dealing with finance.

THE FUTURE OF FRIENDLY SOCIETIES.

By G. LOCKER-LAMPSON, M.P.

What will be the future of Friendly Societies under the National Insurance Act? This is a question which it is almost impossible to answer definitely and exactly.

There are, however, one or two forecasts which may safely be made.

I.

In the first place, a considerable sum of money will be released in nearly every well-managed Friendly Society, a sum of money which will be used for the purpose of increased or additional benefits for existing members. As this is very important, it may be as well to give a concrete example showing the position of a man who at the present moment is paying contributions into one of the great Friendly Societies.

It must be remembered, to start with, that the amount of the subsidy which the Society will receive owing to a portion of the burden of its benefits being taken off its shoulders by the National Insurance Act depends upon whether the Society is in the habit of providing medical aid.

Let us take a man of 30 years of age who is now paying 7d. a week into the Manchester Unity of Oddfellows. Under existing conditions he can get 12s. a week for twelve months' sickness, and 6s. a week afterwards for the remainder of his sickness. He is also entitled to £12 on his own death and £6 on the death of his wife, and to medical aid as well. Now, in the future, under the National Insurance Act he will continue to pay 7d. a week. Out of that 7d., 3d. will go to the independent side of his Society, and 4d. will go to the State side. The 4d. will not be payable while he is sick; and, provided that his average unemployment is less than four weeks a year, it will not be payable while he is out of work.

The result of the Insurance Act taking over part of the burden of the benefits in his case will be that the Society will be relieved of liabilities amounting to about £5 in present money. What does this mean? It means that, *if his Society is solvent*, it will not only be able to give him all those particular benefits which he was receiving before and which do not happen to be included in the Insurance Act, but it also means that his Society will be able to give him extra sick pay of 2s. a week for twelve months' sickness and 1s. a week for the remainder of sickness.

If, however, his Society is insolvent, the whole of the £5, or a portion of it, will have to go to make his Society solvent, and he will

either get no extra benefits or only a portion of the extra benefits which he would otherwise have received.

But now let us suppose that he is in a Society which does not give medical aid. In this case the Insurance Act, although it will give him medical aid, will not, of course, take the burden of medical aid off the shoulders of the Society, as there will be no such burden to take. The Society, therefore, will not be relieved by the Insurance Act of as much as £5, and the extra benefits which his Society will give him will therefore be of less value, as indeed is only fair.

II.

The second matter of great importance is the future position of small Societies. It is not too much to say that in the future under the National Insurance Act the small Societies will to all intents and purposes lose their identity and individuality which has been such a source of pride to them in days gone by. Where a Society has less than 5,000 members, it will have to do one of two things. It can either affiliate with another Society, so as to qualify for the position of an approved Society so far as numbers are concerned, or it can join a group of Societies, and come under the Act, whether the members of the whole group number as many as 5,000 or not. If it chooses the first alternative, it is more than probable that a small Society wishing to become incorporated with a larger Society may not be able to persuade the larger body to receive it except upon terms. The larger Society may agree to incorporate the small Society, but it may make it one of the conditions of incorporation that the small Society shall pay to the larger Society a considerable portion of its existing funds. Some large Societies may admit smaller Societies on generous terms, but it is quite possible that others will take advantage of the necessities of the smaller bodies. Moreover, whether the small Society has to pay or not for the privilege of incorporation, it will most certainly lose its separate identity altogether, and cease to be a Society by itself.

If, on the other hand, the smaller Society prefers to join a group of other small Societies, the identity of the Society may be preserved in the letter, but its social individuality will undoubtedly be weakened and its financial independence greatly impaired. In fact, there is little doubt that many small Societies, rather than lose their former individuality in this way, will divide up their funds and cease to exist.

III.

There is another forecast that may reasonably be made without any exaggeration. Friendly Societies, as we know them to-day—that is to say, bodies of men linked together by the fraternal ties of mutual help; organized and managed through unpaid labour ungrudgingly given; and resting on the basis of voluntary thrift—such societies as these will become a thing of the past. The principle of voluntary thrift will be very largely destroyed. The fraternal feeling of mutual help is a plant that cannot flourish under compulsion, and the labour that has been given for nothing in the past will expect payment, and probably full payment, under the new order of things. Friendly Societies will become "approved" Societies. In other words, they will become distributing agencies under State control—unable to move hand or foot without the consent of the Insurance Commissioners.

They will, it is true, at any rate for a time, preserve a portion of their voluntary system outside the State insurance. But how long they will continue to do this it would be rash to say. For the first time they will have to face the dangerous competition of some of the life insurance companies who intend to distribute sick benefits in the future under a separate branch of their work. This competition will be far more severe than anything they have yet experienced, and may in many cases lead to reduced membership and a diminished financial position, and may possibly in some cases end in bankruptcy itself.

All these considerations ought to be taken into account in balancing the advantages against the disadvantages of the National Insurance Act. To tamper with the basis of an existing social order is always a dangerous experiment. Nothing can excuse such a step unless good cause is shown why the experiment should be made. The Friendly Society movement is one of the remarkable features of the time. It has contributed more perhaps than any other factor to the feeling of interdependence among men and their responsibility one towards another. If a blight is to fall upon these great instruments for good, it will be a disaster of the first magnitude, and future generations will look back with regret upon those remarkable communities of men who were banded together in the service of mutual help, free as they were united, resting upon a foundation of unselfish and voluntary labour, and spontaneously giving of their best in perhaps the noblest work that has yet characterised the history of the British people.

THE DEPOSIT CONTRIBUTORS OR DOWNCASTS.

By L. WORTHINGTON EVANS, M.P.

The provisions for deposit contributors are contained in Clause 42. The clause starts with a lie. It is headed Deposit "Insurance," but no insurance is given to the deposit contributors.

Who will be Deposit Contributors?

The Government Actuaries estimate that 638,000 men and 244,000 women, a total of 882,000 persons, who will be compelled by the Act to suffer deductions from their wages will become deposit contributors at the commencement of the scheme, but in addition, many of those who fail to be sufficiently regularly employed to keep up their contributions to the Friendly Societies, some from illness arising within two years of the passing of the Act, and others from subsequent unemployment, will also become deposit contributors. It is impossible to make any exact estimate, but the number will be large, seeing that about 5 per cent. of the present members of Friendly Societies, who are to some extent the pick of the community, fail to retain their membership, about 250,000 a year dropping out of the Societies. It is true that the provisions of the Bill relating to non-payment of contributions whilst sick, and relating to arrears, will prevent many of these lapses, but, on the other hand, those who act under compulsion are not likely to be so regular as those who have been voluntary insurers. It is no exaggeration to fear that from one and a half to two million persons will suffer the fate of deposit contributors.

The deposit contributors are those who from indifferent health are unable to pass the medical test and obtain admission into Friendly Societies, and those who are by irregularity of employment unable to maintain their contributions to the Friendly Societies. Any truly National Scheme of Insurance ought surely to give State aid to those who need it most, and ought to see that the tax on the employers and the subsidy paid by the taxpayers should be so used as to provide at least a modified form of insurance for deposit contributors.

What the Act does.

The Act compels a deposit contributor to pay exactly the same contribution by deduction from his wages as that paid by the most highly paid manual labourer, or by the members of the most aristocratic and exclusive Friendly Society. The employer also pays

the same contribution. The Actuaries' estimate that the cost to the State for the 882,000 deposit contributors will amount to £250,000 a year, which is equivalent to a contribution of one penny and one-third of a penny a week. The Act provides that the Insurance Committees shall arrange for the administration of medical benefit. It does not fix the amount which is to be paid, and doctors are not likely to agree to accept the less healthy at the same rate as they accept the picked lives who join the Friendly Societies; but let us make a very moderate estimate of the cost of doctors and drugs. Let us suppose that the doctor will be content with 7s. a year, and that drugs will cost 1s. 6d. a year, and no one can say that this is an exaggeration; these sums will be deducted from the contributions. Then, also, 1s. 3d. a year has to be deducted as the annual contribution towards the sanatorium treatment, and there must also be deducted the cost of administration of the Insurance Committees. The Act does not fix the amount, but the Actuaries have assumed that about 4s. a year will be sufficient. The total of these deductions will amount to 13s. 9d. a year, and under the Act the deduction is to be made at the beginning of each year, and if the sum to the credit of the deposit contributor is not sufficient, then during that year he is to receive no benefit. Now let us suppose that the year commences on January 1, and that the deposit contributor has had in the previous period nineteen weeks' employment. The amount of the contributions paid by him, his employer, and the value of the State subsidy, will amount to 13s. 2d. On January 1 there would have to be deducted 13s. 9d. As there is not sufficient to his credit for that year he would receive no benefit. It may be said that this is an extreme case, but it is one which is likely to be frequent. Let us take another instance. Suppose he has been employed for forty weeks during the year, then if he has not drawn any sickness benefit during that year, and has not had a child, he will have to his credit at the end of the year 27s. 9d., from which must be deducted the 13s. 9d. we have previously mentioned, leaving him a sum of 14s. If he is ill for 1½ weeks he will receive sick benefit during that period and exhaust the amount to his credit. An illness but slightly prolonged will eat up the whole of the contributions which he may have been making during the then current year, and at the end of the year he may find that he has less than 13s. 9d. to his credit, and so be suspended from benefit for the whole of the following year. As a sop to mitigate the obvious hardship of the Clause, the Government at the last moment inserted a provision enabling a deposit contributor who permanently ceases to reside in the United Kingdom, and the representatives of a deposit contributor who has died, to receive from the Post Office Fund, in the case of men four-sevenths, and in the case of women one-half, of the amount standing to the credit, thus providing in the case of a deposit contributor a sort of death benefit, in contradiction to one of the main principles of the Bill.

Misrepresentations.

While the principle, if principle it can be called, of deposit insurance was correctly stated in the book bearing the portrait of Mr. Lloyd George, with a preface signed by him, entitled "The People's Insurance, explained by the Chancellor of the Exchequer, the Right

Hon. David Lloyd George, M.P.," both the examples which he took showing how deposit insurance would work out were hopelessly misleading. The following summary of his statements and comparison with the actual facts will show how inaccurate they were:—

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Let us take an illustration. Suppose a deposit contributor has been paying in for three years, he will have £5 17s. to his credit. Deduct 5s. a year for the doctor and 1s. a year for sanatorium, this will leave a balance to his credit of £4 19s. When he has drawn ten weeks' sick pay his balance will be exhausted.	The doctor and drugs for a deposit contributor will cost 8s. 6d. a year at least, but even on the average of healthy lives the cost will be 6s., not 5s. Sanatorium is fixed by the Bill at 1s. 3d., not 1s., and the cost of administration is at least 4s. a year. The net balance on 150 contributions in three years will be £3 3s., not £4 19s.; therefore sick pay can be obtained for six and a half weeks, not ten weeks.
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In five years a deposit contributor will have £10, and a bonus. He can get back £6 10s. in sickness benefit for thirteen weeks, and a further £3 10s. in the succeeding fourteen weeks. Then, if his illness continues, an invalidity pension of 5s. a week, besides free doctoring and free drugs, and sanatorium treatment if consumptive.	If employed continuously for 50 weeks each year, the total gross credit would be 34s. 9d. a year, from which must be deducted 8s. 6d. for doctors and drugs, 1s. 3d. for sanatorium, and 4s. for administration, a total of 13s. 9d., leaving 21s. net, or, in five years, £5 5s. It is, therefore, impossible for any deposit contributor to receive sickness benefit costing £10, and invalidity, which for even one year costs £13, a total of £23.

Flights of fancy at the Tabernacle.

On October 16, 1911, Mr. Lloyd George is reported by "The Times" to have made the following statement in his speech at the Tabernacle:—

> "Let me tell you what happens to the consumptive workman—and there are in this country at the present moment between 200,000 and 300,000 people suffering from this fell disease. A man goes to the doctor. He is examined. The doctor discovers at once that he is attacked by tuberculosis, and he says to him: 'You must knock off work at once. You must go to a sanatorium.' The workman says to him: 'You are mocking me. How can I go to a sanatorium? I cannot pay.' To go to a great building in the country, where he gets the best nursing, the best doctoring, the best food, for his case, open air, and live practically in a sort of consumptive first-class hotel for three or four months. The man is earning only a pound or 24s. a week, and when you tell him to go to a sort of first-class hotel

he naturally says: 'You are mocking me. How can I go?' The doctor will then say: 'Haven't you heard? Why, the Government are finding one and a half millions by the Insurance Bill to build sanatoria throughout the country. They are raising a million of money a year out of the Insurance Fund to keep them up. They have also got a provision that if the money is not enough they will find half of the balance.' The man will say: 'What happens to my wife and children?' The doctor will say—very reluctantly, I am sure: 'In the Insurance Bill of that inhuman monster, the Chancellor of the Exchequer'—(laughter)—'you will find a provision of 10s. a week to keep your wife and children from starvation during the time that you are getting cured.' (Laughter and cheers.) The man has never heard of it. He is amazed. He is probably a reader of the 'Daily Mail'—(laughter)—and he is under the impression that the Insurance Bill is simply robbing him of his pennies, and gives him nothing. (Laughter.) Well, he goes away to the sanatorium, and at the end of three or four months he comes back cured."

It will be observed that Mr. Lloyd George is dealing in this imaginary conversation with one of the 200,000 to 300,000 people at the present moment suffering from consumption. There is no doubt that no Friendly Society will take a man whom the doctor immediately discovers is suffering from tuberculosis. Such a man would have to join the deposit contributors. There would be no 10s. for his wife for the four months in which he was away in a sanatorium as the doctor was instructed to inform him, for under no conceivable circumstances could the necessary £8 be at the credit of the deposit contributor. It would take seven years' continuous employment, which pre-supposes good health for the deposit contributor, to accumulate £8, and long before that period the man in the state of health pictured by Mr. Lloyd George would have ceased to care about the Government Insurance Bill.

When he speaks as Chancellor of the Exchequer, Mr. Lloyd George carries weight. People who have not studied the Act closely are entitled to take the facts and figures from him, and to repeat them to public audiences. In this way the country has been misled, and no organised effort has been made, either by the Press or amongst those likely to be affected, to remove this blot from the Bill.

The amendments necessary.

Can the Bill be amended to avoid creating a deposit contributor class? Undoubtedly it can, if it is done at once—if it is done before new vested interests grow up to hamper our efforts. It is argued by apologists for the provisions in the Act that if the right of selection of members is given to Friendly Societies, there will be some rejected, and that these must necessarily fall into the deposit contributor class. This is not true. The Friendly Societies have the right, and must have the right, to reject, but it does not follow that the State need then do nothing more than provide the so-called deposit insurance. The Government had the opportunity of amending the Bill in the early stages by a whole series of amendments, prepared by the writer, which would have had the effect of leaving to the Societies their own

members' contributions, and collecting in a central fund the contributions of the employer and the State. The State would then have repaid to the Friendly Society about seven-twelfths of all the benefits paid out by the Friendly Societies, leaving them to pay the remaining five-twelfths out of the contributions from the members which they received direct. Those rejected by the Friendly Societies would have been cared for in Health Societies formed by the Insurance Committees. These Health Societies would have paid what benefits they could out of the direct contributions of the members, and the State would have added for each of them a similar amount to that which it pays in respect of the members of Friendly Societies. Thus a real insurance, though a reduced one, would have been obtained by all those who were unable to gain entrance to Friendly Societies, and the deplorable fate which awaits the deposit contributor would have been avoided.

The Government, however, refused to consider this series of amendments, on the ground that they constituted a new Bill, a different proposition from that put forward by the Government, which, indeed, was true, but a merit rather than a drawback.

If a central fund had been adopted, not only would it have been a proper insurance for those rejected by the Friendly Societies, but it would have been unnecessary to disturb the small societies by causing them to be associated or grouped with other societies. The greater part of the risk of insurance would have been in the central fund spread in a really national manner over all the insured lives, and every small society, subject only to good management, could have been allowed to continue its business on its present footing. The clumsy expedient of paying over one-third of future surpluses to a county fund, out of which future deficiencies of other societies are to be paid, need not have encumbered the Act, and many of the other restrictions on the freedom of large and small societies alike might have been avoided.

THE POSITION OF THE AGRICULTURIST.

By CHARLES BATHURST, M.P.

The National Insurance Act is "unequal in its operation." So said the official Unionist amendment to the third reading of the Bill, and it is especially true as regards both employer and employed in our oldest industry. A "flat" (or uniform) joint premium payment of 7d. per week, regardless of health standard, wages, or industrial profits, has no parallel in the German, or any other Continental, system of national insurance. It is not merely inequitable, but it imposes a relatively severe burden upon the class least able to bear it. The average remuneration of the (genuine) agricultural labourer in England is about 17s. per week, taking into account the value of cottage accommodation provided gratuitously or at less than an economic rent, and such regular allowances in kind as may be deemed to form part of the agreed payment for his services. In the neighbourhood of industrial centres—especially in the North of England—the labourer's remuneration is somewhat higher; in the more purely rural districts of the South it is appreciably lower. The average wage of the urban and so-called industrial worker is nearly double the above sum. On the other hand he does not enjoy the same measure of health. If each is required to pay for health insurance *4d. per week, not only does the rural worker pay a much larger proportion of his earnings than does the artisan for exactly the same benefits, but his demand for those benefits is substantially less owing to his greater freedom from sickness. Any system therefore based on a "flat" rate which does not secure to the rural population for their own special needs the full benefit of the surpluses resulting from their healthy and non-hazardous occupation, inflicts upon them a two-fold injustice, in that it not merely levies from them a disproportionate toll, but applies part of the proceeds of that toll for the benefit of other classes of workers more favourably circumstanced. In the case of all approved societies of a national character, which, like the great affiliated orders, comprise workers of every description (and

* It has been stated that the provision in the Second Schedule to the Act reducing the contribution of the employed contributor if his "wages *or other remuneration*" only amount to 15s. or less, and throwing a correspondingly increased contribution upon his employer, will apply to a large proportion of the agricultural employés. This, however, is not the case. Even in East Anglia, Dorset, and Wilts, where the ordinary labourer's wage only amounts to 12s. or 13s. per week, his "other remuneration" will, in most cases, represent more than the balance of the 15s.

which, be it remembered, although largely rural to-day, will in future be preponderantly urban in their personnel), there will, under the Act, be a steady flow of one-third of the surplus of the rural branches to make up the deficits of those in the towns and the mining areas. It is suggested that this process can be largely avoided by the formation of large societies which are exclusively agricultural, or the aggregation of small village societies in a county group. This assumes a degree of inactivity on the part of the great affiliated orders in securing desirable recruits, and a capacity for spontaneous organisation on the part of the rural population outside their own village or group of villages which is unlikely to be realised in fact. The chances are that the bulk of the good lives among the rural workers will continue to belong to, or be prevailed upon to join, one or other of the large affiliated Friendly Societies, and the greater part of the residue will drift into the unfortunate position of Deposit Contributors. In neither case will they thus get good value for their contributions.

In face of the irrefutable statistics in reference to the health standard of various classes of workers which appear in the valuable tables of Manchester Unity experience compiled by their able actuary, it is quite impossible to suggest that the amount of sickness of the agricultural population is as great as that of miners, iron and steel workers, quarrymen, or even of railway workers, dockers, and fishermen.. It has, however, been argued in the House of Commons that the agricultural labourer will not, in fact, in the course of his lifetime, make a smaller demand upon the National Insurance Fund than those engaged in other industries because he lives longer, and, therefore, at the later ages he will make a comparatively greater drain upon the fund. This is quite true, but this greater drain does not begin until after the age of 70 (as proved by the Manchester Unity tables), at which age benefits under the National Insurance Act cease as such and merge into the non-contributory old age pension. This argument in no way invalidates the contention that the flat rate is unfair to rural workers.

Nor is it any more fair to their employers. The profits of English farmers are, taken as a class and averaging bad seasons with good, very small, probably less than half the average of those derived from urban industries. A total financial burden, now estimated at forty million pounds per annum, will be thrown by the insurance scheme upon the industries of the country, and we are told that "the consumer will pay." This may be possible in the case of other industries (even under present fiscal conditions), but it is wholly impossible as regards agricultural produce, in respect of which the British farmer has to face the competition of the whole world. Thus while he and his labourer have to pay relatively more for the latter's health insurance without the possibility of recouping themselves as producers at the expense of the consumer, they will, as consumers, have to face an increase in the cost of living as the result of the new and serious burden upon other industries.

A new Section introduced into the Act during its passage through the House of Commons provides that where a custom in any locality or employment exists to that effect, or may hereafter be initiated at the joint request of an employer and all his employés, the payment of full wages to an employed person during the first six weeks of any

illness may be substituted for the ordinary sickness benefit under the Act, and in consideration of such an arrangement one penny will be deducted from the weekly contributions both of employer and employed, leaving the compulsory contributions still payable in respect of more protracted illness, and for other benefits 2d. and 3d. respectively. This alternative system will apply to many clerks, domestic servants, hospital nurses, and seamen, and also (and chiefly) to agricultural labourers in Scotland, Northumberland, Durham, and part of Yorkshire, where labourers are engaged on 6 or 12 months' contracts, and where this or a similar custom now exists. It is not at all likely, however, to be adopted voluntarily by agriculturists in other parts of the country, as it is not applicable to engagement by the week or day, or even by the month, and mutual agreement upon a matter so clearly to the financial disadvantage of the employer is unlikely.

The National Insurance Scheme favours most those insured persons who are best organised and best paid—whose resources industrial, political, and financial have enabled them to put effective pressure upon the Government in their own interests. Those workers who will receive the most inequitable treatment are the poorest and the least organised in the country—the agricultural labourers. Beaconsfield said 30 years ago: "A nation which neglects its agriculture is doomed to decay." The neglect continues; if national decay supervenes it will be due to love of votes actuating the policy of our statesmen rather than love of country or even of equity.

DOCTORS AND HOSPITALS.

By WALDORF ASTOR, M.P.

It is the duty of Insurance Committees to administer medical benefit, and for that purpose to make arrangements with duly qualified practitioners for the supply of adequate medical attendance and treatment for the insured persons in their area. These arrangements are to be governed by regulations made by the Insurance Commissioners, and are to be subject to their approval.

The Insurance Committee is to prepare and publish a list of doctors willing to attend insured persons in the area. Every duly qualified medical practitioner will have the right to be included in the list, but the Insurance Commissioners will have the power to remove from the list the names of unsuitable persons after due enquiry. An insured person may choose his own doctor from the list, and, subject to the consent of the doctor selected, will have the right to be attended and treated by him. Those who do not exercise their right of choice, and those whom the selected doctor refuses to attend, will be distributed among the doctors on the list. The doctors themselves will, as far as possible, arrange for this distribution.

Where an adequate list is not forthcoming the Insurance Commissioners may authorise the Insurance Committee to make other arrangements.

The Insurance Committee are to have the power of fixing an income limit, and of requiring all insured persons whose income exceeds this limit to make their own arrangements; and they may allow any insured person to do the same, in each case contributing a sum not exceeding that which it would have cost the Committee to provide the benefit themselves.

Similarly, where a person receives medical treatment under an existing organisation approved by the Insurance Commissioners, the Committee may make a cash contribution towards the expense of the treatment.

To pay for the provision of medical treatment the Committee is to receive for each member of an Approved Society a sum to be agreed with the Society. Failing agreement the Insurance Commissioners are to determine the sum. From each deposit contributor the Committee is to receive such sum as they may determine, subject to the consent of the Insurance Commissioners.

If these two sources of revenue prove inadequate in any year to meet the estimated expenditure of the Committee, the Committee may apply to the Treasury and to the Council of the County or County Borough, and the Treasury and Council may each pay half the deficit.

If the Treasury and the County Council refuse the application it

is not clear how the Committee is to meet its obligations. It will, presumably, have to reduce the amount it has agreed to pay for medical attendance and medicines.

If the County Council accept the liability, the Insurance Commissioners may increase the representation of the Council on the Committee, making a corresponding diminution in the representation of insured persons, which will normally be at least three-fifths of the whole body.

The Committee may consist of as many as 80 persons, but the medical profession is not entitled to more than 3 representatives, two appointed by the doctors of the district, and one by the Insurance Commissioners.

Where a local medical Committee representing the doctors of a County or County Borough has been formed, it is to be consulted by the Insurance Committee on all general questions affecting the administration of medical benefit.

One, at least, of the Insurance Commissioners is to be a medical practitioner who has had experience of general practice, and the same qualification is to be possessed by some members of the Committee to be appointed to advise the Commissioners as to the making and altering of their regulations.

Except in special cases no doctor is to dispense his own drugs or medicines to insured persons. They are to be provided by Chemists qualified under the provisions of the Poisons and Pharmacy Act, 1908, who are to undertake that their medicines are dispensed by registered Pharmacists or persons who have for three years prior to the passing of the Act acted as dispensers to doctors or Public Institutions. Lists of such Chemists, to include all properly qualified persons, are to be drawn up as in the case of doctors.

Insured persons who have forfeited sick pay owing to misconduct are still to be entitled to medical attendance.

No insured person is to be compelled to submit to any surgical operation, or vaccination, or inoculation.

In the case of maternity benefit the Society or Committee may either pay in cash or provide attendance. The Mother is to decide whether she will have a doctor or a midwife, and is to have free choice of either.

Hospitals.

Insurance Committees may subscribe to Hospitals or other charitable Institutions, or for the support of district nurses, and may themselves appoint nurses to visit or nurse insured persons.

Apart from the above provision the intention appears to be that payment, as a rule, will not be made to Hospitals for the treatment of insured persons. But in two cases benefit pay may be utilised for the maintenance of an insured person in a Hospital, Convalescent Home, or Infirmary, supported by charity of by voluntary contributions.

1. Where a member of an Approved Society has no dependants, and an agreement has been made between the Society and the Hospital.
2. Where a married woman or widow is entitled to sickness benefit in addition to maternity benefit, the amount of the latter may be paid over to the Hospital.

If a Hospital provides institutional or other treatment approved by the Local Government Board for insured persons suffering from Tuberculosis, or other prescribed diseases, it is apparently intended that payment should be made. It is the duty of Insurance Committees to make arrangements with such Institutions for the purpose of providing Sanatorium benefit, and funds are placed at its disposal for this purpose with recourse, if inadequate, as in the case of medical treatment, to the Treasury and the County Council.

WOMEN.

By JOHN W. HILLS, M.P.

When it was known that the Government Insurance Scheme was based on compulsorily contribution, there was much speculation upon the position of women. Compulsory contribution is unworkable unless the contributions are automatically deducted from wages, and therefore, speaking generally, only applies to persons who earn wages; and since very many women do not earn wages, it was obvious that large numbers, who in other respects were properly insurable, would be excluded. However, it was known also that the Scheme contained a voluntary side, and hopes were entertained that the voluntary side would be adapted to meet the special needs of women.

These hopes were disappointed. The original Bill not only made no such special provisions, but it went further, and absolutely excluded all women from voluntary insurance during marriage. The effect of this exclusion is clearly shown by the figures in the Report of the Government Actuaries. They reckon the numbers which will come under the scheme to be nearly ten millions men and only four millions women. Yet, it is common knowledge that there are more women in the country than men, and therefore there must be more also in the classes for whom insurance is intended. If insurance is an advantage to men, it is an equal advantage to women; if it is important to the community to preserve the health of its men, it is infinitely more important to preserve the health of its women.

The figures just quoted include a ridiculously small number of voluntarily insuring women, some 200,000 only. The scheme at the worst should have been so constructed as to admit millions into the voluntary class; not only did it not do this, but it forbade women to enter voluntarily.

It must be remembered what this exclusion means. It means that, while men who choose to insure themselves voluntarily can thereby secure the State something said to be 2d., married women cannot. It means also that women are deprived of the benefit given to men who are voluntary contributors, and under 45, of paying only the "flat" rate: if a woman chooses to pay the whole 6d., the employer's contribution as well as her own, by what right should the State deny her the 2d., or the benefit of paying only the "flat" rate instead of the much higher "rate for age"? It must be remembered also that men who insure voluntarily are, if they are not over 45, credited with their "reserve values," and by this means are made integral parts of the national scheme; they pay the "flat" rate, and they can move freely from one Approved Society to another. The excluded women lose this advantage, and they lose it for all time.

Therefore, the first objection taken to the Bill was, that it excluded married women from voluntary insurance. It is fair to say that, as will be seen, this grievance has been partly, but only partly, remedied.

The next objection was that a woman forfeited everything on marriage. As the Bill originally stood, a woman insured before marriage was on marriage suspended from benefit unless, at any time before or after her husband's death, she became employed, when she re-entered insurance without paying up any arrears: that is to say, she was placed in the same position, as though she had never been married. This right was valuable, but even with it women were hardly treated. Take a concrete case. Suppose a girl were to be in domestic service for the ten years between the age of 16 and 26. She would have been insured compulsorily during those years, and each week 3d. would have been deducted from her wages. If then she married, she would lose all benefit from contributing for ten years. It is true that she got the hypothetical advantage of returning into insurance if she re-entered service, but this in many cases was a remote contingency. In any other event she absolutely lost the advantage of her past contributions, and she would have been compelled to contribute during ten years of the healthiest period of her life, when she was probably seldom ill, and would have been deprived of the benefit of insurance during her later years when it would be a real boon.

Consideration of this and similar points made it clear that women were not getting the full advantage of the payments they were compelled to make. Such rights as they were given were bought too dearly. The right of re-entry was valuable; but the price paid for it was the forfeiture of the contributions of those who did not re-enter. The Government Actuaries, confronted with the difficulty of estimating what proportion of widows would become employed, and therefore re-enter insurance, solved it by the simple but somewhat otiose assumption that all would do so. If they did, possibly the actuarial value of the right of re-entry would have compensated women as a class for the forfeiture on marriage; but one need not be an actuary to know that they do not. The assumption was as baseless as was a similar generalisation about widows attributed to the elder Mr. Weller. All widows do not become employed; and when under the stress of criticism the Government had to revise their figures it appeared that the cost of re-entry had been over-estimated by three times. That means that as the Bill originally stood, the Insurance Fund gained from forfeiture on marriage three times as much as it would cost to give the right of re-entry to those who came back, and accordingly women forfeiting on marriage were heavily overtaxed.

Another objection to the scheme was that the benefits given were in many cases unsuitable to women. The case of domestic servants is the most notorious instance. Women whose employers pay wages during sickness, and pay for doctoring, were being compulsorily taxed for benefits which they did not require.

Lastly, it was felt that women should have representation as of right on the Local Health Committees, and that women doctors and midwives should receive adequate treatment. There were minor objections, but these were the most important.

The Bill, therefore, which was intended as a great measure of

national health regeneration, started by excluding the majority of married women. To that extent it penalised marriage. It gave special advantages to the employed married woman, and therefore put a premium on those who left the home and went into the labour market. It taxed them too heavily. It was in many ways unsuited to their special needs. At every point it showed lack of appreciation and knowledge of the conditions under which women live and work. When the glamour surrounding its introduction had worn off, its grotesque unfairness to women was universally attacked, and found no defenders. Closer inspection showed that the "refreshing fruit" was uncommonly like a Dead Sea apple.

Mr. Lloyd George himself hardly attempted to defend the treatment of women. It is true that he did give as his reason for excluding married women from voluntary insurance the excessive malingering, which he stated was prevalent and impossible to check, but as that argument was dropped almost as soon as used, no attention need be paid to it. It would have been dispelled by five minutes' conversation with anyone conversant with the practice of Friendly Societies which take women members.

The Bill was radically amended, but though it is now very different from its first shape, it is still so incomplete, unequal, and unfair, that it cannot be allowed to remain as it is.

Let us see what changes have been made. First of all, Mr. Lloyd George has partly remedied the exclusion of married women. He has allowed a woman insured before marriage to come in voluntarily for reduced benefits at reduced subscriptions. She is to pay 3d. a week and the State 1d., and for this she will get free doctoring, 5s. a week on sickness for thirteen weeks, and 3s. for a further thirteen, instead of 7s. 6d. for twenty-six weeks; and 3s. a week on disablement instead of 5s. Should she become employed she can still keep on this scale of benefit, for she can still pay her 3d. a week, and the 3d. which her employer will be compelled to pay will be carried to her credit and used to discharge arrears, or otherwise for her advantage.

This is a great improvement, but it does not go far enough. It is confined to women insured before marriage. Now very many women will not be insured before marriage. Men will naturally start work at 16, and thereby become insured, but many women live at home till marriage, and a system which applies to men does not apply to women, owing to their different economic position. The benefit of this special insurance should not be confined to women insured before marriage. It may be pointed out further that it may lead to the absurdity of a woman insuring herself for a week before marriage, for there appears to be nothing in the Bill to prevent it.

Then also, in response to pressure, and to meet the objection that women were over-taxed, Mr. Lloyd George agreed to separate the women's from the men's fund, so as to secure to women all the advantage of their contributions.

He also has given them some, though insufficient, representation. He has also conceded a new Clause which, to a certain extent, meets the domestic servant difficulty. It allows Approved Societies, with the Insurance Commissioners' consent, to substitute alternative benefit for sick or disablement pay. Thus, the unfairness is avoided of taxing a servant to provide sick pay which she does not want because

she receives wages during sickness, and she can instead take an increased pay on disablement, or an earlier old age pension or other similar relief. He allows women to draw sick pay as well as maternity allowance on confinement. He has charged the cost of maternity allowance on the general fund, in cases where the husband is himself insured. Finally, he has given an important concession by making the right of re-entry a certainty by charging upon the general fund any deficiency there may be, and thus making the surplus account solvent.

Such were the chief changes made in the Bill. That they were made is due, in the first place, to the work of a Committee formed to safeguard women's interests; and, in the next, to the action of the Unionist Party. On that Committee were ladies who represented every branch of women's activity, and also members of the Unionist, Liberal, and Labour parties, the Unionist Party being very strongly represented. It is no fault of the Unionist Party that the changes were not greater. In particular, Mr. Lloyd George was strongly urged by Unionists to remedy the great blot on the Bill, and admit women as voluntary contributors, but he declined to do so; and the special domestic servants' clause was, in fact, suggested from the Unionist side of the House.

The Bill is unequal and unfair. It bears the hall mark of the hurry in which it was conceived and carried. The problem was not thought out. A scheme was devised for men, and then applied with cast-iron rigidity to women whose circumstances, whose needs, and whose lives are entirely distinct. The hasty adaptation which was made when the Bill was in Committee leaves it partial and imperfect.

To an extent, but not altogether, its faults can be remedied. Some provision can and should be made for women who do not insure before but desire to insure after marriage: women and women's interests should be more fully represented on the governing bodies; wider variety of benefits should be allowed; closer inquiry should be made of the special requirements of women, and the scheme adapted to meet them: and finally that cruel absurdity should be removed which forbids a woman to be an ordinary voluntary contributor. There is plenty of work here for the most active reformer.

CLERKS.

By W. R. CAMPION, M.P.

Clerks receiving less than £160 per annum are to be compulsorily insured as "employed" persons.

It is difficult to see what advantage the Clerk will derive from this Act.

As a general rule, he is of a thrifty nature, and makes a practice of insuring against possible risks. Indeed, he is ofter over-insured, and for this and other reasons the margin of income for increased expenditure is usually a very narrow one.

In most cases he will have to contribute at least twice—as an employed person and as an employer. He has to keep a servant, or employs a charwoman regularly.

The supply of domestic servants being limited, it is most probable that the employer will have to pay both contributions.

Consequently, the Clerk will have to pay 17s. 4d. a year as an employed person, and 26s. a year as an employer—a total contribution yearly of £2 3s. 4d. This he naturally will regard as a heavy burden, and will especially resent, since, as a rule, he suspects that his position will be no better—if not worse—than it was before.

At present it is an almost universal rule for employers to pay their clerks salaries during sickness. It can hardly be expected that employers will continue to do so after the Act has come into operation, and they have to contribute. They will not pay twice over.

The Clerk also will not pay twice over. In many cases he will find the additional burden too great a strain, and will have to relinquish part of his voluntary contributions to insurance that he has been accustomed to make.

All Clerks have a reasonable anticipation of earning more than £160 a year, and they will naturally regard as a hardship the necessity of being compulsorily insured for some years with possibly little, if any, benefit, except if they wish to continue that of paying the heavier contributions of a voluntary contributor.

Moreover, the salary frequently fluctuates. In some cases he earns money on commission, in addition to his salary.

In others, a profit-sharing system exists, which enables him in good years to receive a bonus, in addition to his salary.

As an example, let us take a Clerk who at the present time is earning £140 a year.

He has to be compulsorily insured.

In two years his salary may be raised to £160 a year, in which case he ceases to be insured.

Again, after contributing for two years, in the following year he may receive £25 bonus or commission, in addition to his salary.

He then ceases to be compulsorily insured.

The following year, again, he may only earn his salary of £140 a year, and once again becomes compulsorily insured. This is by no means an impossible case, and, indeed, is one that will frequently occur in such cases as Stock Exchange Clerks.

In many cases the benefits of the Act compare unfavourably with benefits at present obtained from Insurance.

As an example, one may take the case of a Clerk insured under the Stock Exchange Clerks' Provident Fund, founded 1874. This Fund is supported jointly by voluntary contributions of employers, and by contributions of the insured.

The position of the insured Clerk is what we have to consider. In this case he pays £1 1s. a year, and is entitled to the following benefits:

Illness—for not exceeding five weeks, £2 per week. Unemployment—for first four weeks, £2 per week; for following four weeks, £1 per week.

In fifty-two weeks he may thus receive £22, as compared with £19 10s. receivable under the National Insurance Act. In addition, £40 is payable at death; special grants of 10s. a week are made to aged and incapacitated members in special cases, and special terms exist for treatment by the Doctor, Dentist, or Oculist.

Moreover, special cases are considered on their respective merits, and it is by no means unusual for treatment in a Sanatorium to be provided free of cost.

There is no medical examination on entrance.

Many Clerks cannot afford to belong to the above, in addition to being insured under the Act.

In many cases it is feared that reception in Approved Societies will be refused on the ground of health. The Clerk will then become a deposit contributor, and his position will be incomparably inferior then to what it is now. (Owing to the difficulty of complying with the employers' fund, Clause 25 of the Act, it seems impossible for this fund to become an Approved Society.)

It is naturally feared that employers may not be willing to continue voluntary contributions to this Fund, in addition to contributing under the Act.

Should this occur, and the number of Clerks insured seriously diminish for the reasons given above, it is difficult to see how the Fund is to be carried on in the future. Under such circumstances, great hardship will be inflicted on the Clerk of forty years or over, whose salary is over £160, and who has contributed for years.

It cannot be wondered that Clerks should regard the Act with suspicion, and that they generally state that "they do not want it."

Indeed, their views may best be summed up in the words of the Resolution passed at the Conference of Representatives of Clerks' Associations, held at Liverpool, on June 21, 1911, viz.: "That the Government be requested to introduce a Clause in the National Insurance Bill which will have the effect of enabling any Clerk.

Warehouseman, Traveller, or Salesman, to claim exemption from the provisions of the Bill for whom provision is made by his or her employers under a scheme approved by the National Insurance Commissioners, or who is a member of a Provident Association, which is properly constituted and upon a sound basis, and which provides such, or the like, Sickness and Invalidity Insurance, as is provided under the National Insurance Bill."

DOMESTIC SERVANTS.

The original proposals of the Bill with regard to Domestic Servants.

By F. CASSEL, K.C., M.P.

Of the persons compulsorily insured under the National Insurance Act, those engaged in domestic offices or services will, according to the Report of the Government Actuaries, Cd. 5,681, be the largest class. Of this class the large majority—probably four-fifths—will be women. Nothing is more indicative of the lack of care and forethought with which the original Bill was framed than the manner in which it was at first proposed to treat domestic servants. They were to pay the same contributions as other insured persons, but were to receive no sickness or disablement benefit unless turned out of the house by their employers. See s. 8 (7) (e) of the Bill as originally introduced. The injustice of this provision was so glaring that the Government found themselves unable to resist an amendment moved by one of the Unionist members, Mr. Bridgeman, on the 18th July, 1911, to leave out this unjust sub-section. It has been pointed out that four-fifths of the domestic servants insured will be women. Under the original Bill, not only were they to receive no sickness or disablement benefit unless turned out of the house, but on marriage they were to have forfeited the whole benefit of their insurance unless again employed after marriage or as widows.

The Clauses with reference to married women have been immensely improved, but even so the Act still remains far from satisfactory so far as the position of domestic servants is concerned.

The position of servants under the Act.

It will conduce to clearness if the position of servants under the Act is first examined apart from Section 13, which gives special powers of varying benefits, and Section 47, which gives special powers of reducing contributions; and if the effect of these sections is considered subsequently. Apart from these sections, the contributions and benefits for servants will be the same as for other persons coming under the Act.

Contributions.

The contributions payable will be in the case of men 7d. a week, or £1 10s. 4d. per annum, of which the servant's share will be 4d. a week, or 17s. 4d. a year; and the master's 3d. a week, or 13s. a year. In the case of women the contributions will be 6d. a week, or £1 6s. a year, of which the servant will pay 3d. a week, or 13s. a year, and

the master 3d. a week, or 13s. a year. The master is responsible both for his own share and that of the servant, but he will be able to deduct the servant's share from his or her wages. It is to be noticed that however low a servant's wages may be, she is liable to the full payment if she receives board and lodging; thus if her wages be only £8 a year she is liable to have 13s. deducted from them. The reduced contributions under Part I. of the Second Schedule have no application.

Again, a clerk or other insured person with wages or salary of £100 to £160 a year will have to pay his own insurance of 17s. 4d. and 13s. a year for his servant as well.

Persons employed casually in the house do not come under the Act, but charwomen employed regularly one day or more in the week will have to be insured. As the Act stands at present, and unless some other provision is made, the employer who employs a charwoman on Monday, say, for 2s. 6d., will have to pay 3d.; the one who employs her on Tuesday will have no contribution to pay.

The charwoman herself will have to pay 3d. for her first day's work in the week, even though she only gets 2s. 6d. for the day.

When a servant is out of a situation for more than four weeks in the year she will have to pay the master's contribution as well as her own—that is, 6d. a week—or her benefits will be reduced; and after 13 weeks' arrears, sickness and disablement benefit will be altogether suspended.

Benefits.

The benefits to which the servant will be entitled are:—

(1) Sickness benefit of 10s. a week in the case of men and 7s. 6d. a week in the case of women, for 26 weeks from the fourth day of illness.

(2) Medical benefit, that is treatment by a doctor, and medicine.

(3) Disablement benefit, that is 5s. a week during total incapacity to work, after the first 26 weeks.

(4) Sanatorium benefit, that is institutional or other treatment for consumption.

(5) Maternity benefit, that is 30s. for each confinement.

Of these benefits by far the most expensive are sickness benefit and medical benefit, which absorb about two-thirds of the sum required to provide all the benefits. It is in connection with these benefits that the chief difficulty of applying the Insurance Act to the case of servants arises. So many servants are already provided for in case of temporary sickness, because their masters not only pay full wages during sickness but provide medical treatment as well. Now what is going to happen after the Act? Will the masters still continue to pay full wages? If they do the consequence will be that the servant will receive more money when ill than when well. If her wages are 7s. 6d. a week (about £18 a year), and she gets both wages and sickness benefit, she will get twice as much when she is not working as when she is doing full work. If, on the other hand, the master does not continue to pay full wages during sickness—as he will on giving notice of his intention be entitled to do—the servant will to that extent be worse off under the Act than before.

As to medical benefit, it still remains to be seen whether the doctors will give their services for the remuneration on the basis of

which the scheme is financed. An administrative difficulty also arises in connection with medical benefit for servants. Assume that the master's house is in London, and arrangements to attend the servant during the year have been made with a London doctor, if the servant, when ill, is sent to her home, which may be far from London, what doctor is to attend her? No doubt some solution of this difficulty will have to be found, but the Act gives no guidance on the point.

The other benefits—namely, disablement, sanatorium, and maternity—will probably be of value to servants; but the cost of providing them is comparatively small, 2d. a week being sufficient for this purpose.

With regard to disablement benefit, this is only given in case of total disablement, when the servant can do no work at all; not, as in Germany, in case of partial disablement. The cases in which it will be received will accordingly be comparatively few.

There is no provision in the Act entitling a servat to go to a hospital or convalescent home in case of serious illness. On the contrary, those most closely associated with the hospitals entertain grave fears as to the effect which the Act will have on the hospitals by crippling their resources.

Apart from the special section subsequently referred to, there is also no provision for a pension or superannuation allowance; and it must not be forgotten that, by compelling servants to insure for a benefit which they do not require so much, we are diminishing their resources for providing what they need more.

We have dealt so far with the position of servants under the Act, apart from the two special sections, 13 and 47, which have been already alluded to. We propose now to consider these sections, and will deal with Section 46 first, as being the least important of the two.

Section 47.

Under this section the contributions of masters and servants may be reduced by 2d. a week in the case of men and 1½d. a week in the case of women if the master agrees to undertake to pay full remuneration during sickness for six weeks. In the case of men the master's and servant's contributions would be reduced by 1d. a week each; in the case of women, the servant's contribution by 1d. and the master's by ½d. a week. The option of bringing this section into operation rests exclusively with the master, and it seems unlikely that it will be frequently resorted to. If they have to pay for insurance at all, masters will not, for the sake of the ½d. a week less, undertake to pay full remuneration for six weeks, which would be payable even after the termination of the service. The ½d. a week is nothing like an adequate equivalent for the obligation which would be undertaken by the master.

Section 13.

At a late stage of the proceedings on the Bill, largely in consequence of the protests raised by mistresses and servants from all parts of the country, which found expression in the Albert Hall meeting, a section, which is now Section 13 of the Act, was inserted to allow variation of benefits.

Under this section an approved Society will be able to present to the Insurance Commissioners a scheme for commuting sickness or dis-

ablement benefit into a pension or superannuation allowance and certain other benefits of equivalent actuarial value; but no scheme can become effective unless approved by the Commissioners.

This Clause, though an improvement as far as it goes, is open to the following criticisms:—

(1) The option of presenting a scheme is not given to the servants individually, but to the Societies of which they may be members.

(2) It is only sickness and disablement benefit which may be commuted; not medical benefit, for which in many cases there may be no desire.

If there is to be commutation at all, it is important that the benefits commuted should be sufficient to produce a substantial amount. If medical benefit could also be commuted, it would make a considerable difference to the pension.

(3) The master is given no voice with reference to this option. First the State compels him to contribute 13s. a year to insure his servant against sickness, then it allows the servant's Society, with the sanction of the Commissioners, to commute that insurance into something else without reference to the master. If a master is forced to pay for providing for his servant during sickness, he has a legitimate ground of complaint if the provision can be taken away, and something else substituted for it, without his being consulted.

(4) Whether commutation of sickness and disablement benefit into pensions is in fact to be allowed or not, like most difficulties under the Act, is left to the absolute discretion of the Insurance Commissioners, and no one can tell what view this body of officials are likely to take of the question.

Conclusion.

Although there would be objections to leaving out domestic servants from a general scheme of compulsory national insurance, the application of the Act to their case presents special difficulties. These arise mainly from the special relations which at present subsist between master and servant, which are likely to be disturbed and interfered with by the Act.

It is a matter for regret that, owing to the haste with which the Bill was passed into law, more adequate time was not allowed to endeavour to find a solution for these difficulties.

In any case, if and when the Act comes into effective operation, the best course for servants to adopt will probably be to form an approved Society of their own with branches in every part of the United Kingdom. In this way they will be in the most favourable position to present the scheme of benefits best adapted to their needs to the Commissioners for their approval; and they will be able to retain for themselves any surplus which there may be at the time of the periodical valuations under the Act.

HOW THE ACT WILL AFFECT INTERMITTENT LABOUR

By HERBERT NIELD, M.P.

I use this phrase rather than casual labour, because there is an important distinction between employment which, though not for full time, is yet regular, and employment which is purely chance and casual in its character.

A good illustration of what I mean by "intermittent" employment is afforded by the workers in laundries who, for the most part work regularly in many cases for years for the same employers, yet by reason of the exigencies of the trade, can rarely, if ever, do so for more than four days a week. This circumstance is accounted for by reason of the ordinary nature of the work in laundries having to be collected at the commencement of the week and delivered at the close. The special character of laundries caused them to be excluded from the Factory Acts until quite recently, and then it was found necessary to pass a special Act dealing with them, when making this industry subject to regulation and inspection. There are, of course, the large steam laundries where machinery is largely employed, and the work is systematised and controlled, but side by side with these are a number of small "hand" laundries managed by members of the proprietor's family, and the hired labour in which is more of the casual description.

Upon both branches the burdens of the Act will fall heavily, but it is upon the smaller laundries that it will be most severely felt, for the reason that there is greater variation in the employees, and more dependence upon purely chance labour.

The industry as a whole has made repeated representations to the Chancellor of the Exchequer for exemption from the Act, or, at any rate, for some modification of its provisions; needless to say that these efforts have failed, and an equal burden—nay, in the case of the employers a greater burden has been imposed than upon the trades wherein skilled wages are earned. By way of illustration, let me give instances based upon figures which have been sent to me. A laundry doing £100 per week requires at least 60 hands, the bulk of whom work four days; this will involve the employer in the payment of contributions at least of 3d. per head, which equals a weekly payment of 15s. totally irrespective of whether the trading results in a profit or a loss. It is estimated that a soapboiler can manufacture £100 worth of soap in four days with a staff of four men, for whom he would pay 1s. 4d., while a baker with four or five men can produce goods of the same value in a week for whom he would pay at most 1s. 3d. While

in both of the latter cases the additional charge would be passed on—certainly in the case of the soapboiler charging per gross for his goods—the laundryman finds it impossible to apportion the extra cost among the numerous kinds of articles dealt with (the actual proportion per article being estimated at 1-120th of a penny), and so must bear it himself.

This, I venture to think, demonstrates the injustice to laundry proprietors, but the case of the workers is also hard. The Act treats all trades alike; so far as there is variation in the rates of contribution it is based on wages paid per week, rather than the risk of sickness and disablement attendant upon the nature of the employment. It is not reasonable to levy the same contributions from those engaged in unhealthy trades, which can only be carried on at increased risk to health, or of bodily injury, and abnormally healthy trades or occupations such as laundry work or in agriculture.

It has been ascertained that the average incapacity of laundry workers on account of illness is three days per annum, and having regard to the provisions of Sec. 8, sub-sec. 1 (c), which provides that sickness disablement shall only be payable from the fourth day, this class of worker is not likely to obtain much benefit for the contributors exacted. Again, the majority of employees (certainly in the large laundries) girls and young women between 15 and 22 years of age, the chances of their coming upon the fund are remote, and if the young woman marries and leaves her employment she ceases during the period of her married life to have any but maternity benefit, unless she becomes a voluntary contributor. It must also be remembered that by Sec. 9 insured persons under the age of 21 can only claim reduced sick benefit, viz., 5s. per week for the first 13 weeks, and 4s. per week for the second period of 13 weeks, or disablement benefit at the rate of 4s. per week. In the smaller hand laundries, the older women get employment, and it is here that the class of labour is more of the casual type, owing not only to the limitation of days of work, but also on account of the quantity available fluctuating. The health average is the same throughout the whole industry, but the older women are not subject to the reduced benefit.

It will thus be seen how unfairly the Act treats this large class of workers, who already labour by reason of being employed for four days only out of the week, are only able to earn reduced wages, and that fact, coupled with the existence of a very large amount of chance or casual labour in the smaller laundries, make out a strong case for exceptional treatment. The injustice is emphasised when consideration is given to the abnormally low rate of sickness, and to the large number of the workers who cannot under ordinary circumstances obtain the full benefits under the Act, though called upon to pay the full contribution. Compared with the benefits which these workers can obtain from existing Societies, the Act not only does not offer any advantages, but is positively harmful in its operation.

Before leaving the subject, I should like to refer to an added grievance which the Act inflicts upon laundry employers, who will be obliged to pay the contribution (more often at the higher rate for women workers), in respect of those who after a few hours prove incompetent and are discharged. I have been informed that as many as twenty ironers have been engaged by my correspondent, of whom only four have been found possessed of the requisite skill to be em-

ployed for a second day, so that in many cases the week's contribution will have to be paid for labour which has proved not only unproductive, but possibly harmful to the laundry's reputation.

Casual Labour.

It may be difficult to give an exhaustive definition of what is comprised in the term "casual," the problem will no doubt come up for the decision of the Commissioners, and it is not improbable may, directly or indirectly, form the subject of a decision of the Judge of the High Court, to whom appeals in a limited number of cases may be taken from the conclusions of the Insurance Commissioners.

The classes which generally furnish the unskilled or casual labourer, are those who, in my judgment, should have been the primary object of the measure. For the most part they are persons whose poor physique would debar them from entrance to the Approved Societies, whose medical tests will probably become more severe under the compulsory system set up by the Act, and therefore these persons will, for the most part, become merely deposit contributors with the very limited benefits which are available to them.

It is, I recognise, useless to discuss this cardinal failure of the scheme, still less to search about for the reasons which have caused the Chancellor of the Exchequer to be sparing in his compassion for those who are least able to help themselves.

The position of a deposit contributor will have been explained elsewhere in this work, and I forbear therefore to deal with the subject, contenting myself with the observation that that portion of the Act will probably be the lot of the casual worker.

It seems to have been generally recognised during the limited debates in Parliament, especially by members of the Labour Party, that the liability of employers of casual labour would result in decasualisation, and therefore a large increase in unemployment. This, in my opinion, is most probable, and labour-saving machinery will be set up in those trades where the burden of the Act in relation to casual or short time labour is most felt. In other trades, the trade or business will have to accustom the public to modify existing practice, so as to allow of the work being more and more regular and normal, with the result that the larger number of casual hands now employed, will be restricted to fewer persons and more permanent employment.

There is a provision (Sec. 50), which empowers the Commissioners to make a special order reducing the rate of contribution either in extent or as to period in respect to trades or businesses which by reason of their seasonal nature or subject to periodical fluctuation cause short time work during some parts of the year. This may partially assist to prevent an increase in the casual labour market, though I fear it cannot reduce the volume of labour at present dependent upon it.

The position of fruit growers, of market gardeners, of hop growers, and, indeed, of owners of allotments, will be made very difficult. Farmers, too, especially during the hay and corn harvests, may find themselves liable to pay contributions for casual hands employed on one day when work is possible, only to find that for the remainder of the week the state of the weather has rendered work

impossible. Allotment holders may work two or three days upon their own allotments, and devote one or more of the remaining days in the week to digging for another holder who may have more ground. In this case, the former becomes an employed contributor, and payment must be made for him by his neighbour, and he must also pay his share.

Dock authorities, stevedores, warehouse keepers, and lightermen, whose work so much depends upon circumstances over which they have no control, will, of necessity, feel the burdens of the Act with greater severity. The same thing may be said of sanitary authorities, who are compelled to employ from time to time a large number of casual labourers to deal with a sudden fall of snow, or other like occurrence. Endless questions may, and probably will, arise. The man who sweeps your chimney, or who clears away the snow, if directly employed by you will, if that be his means of subsistence for the time being, become an employed contributor, and in most instances a deposit contributor for want of admission to an Approved Society.

The problems which the position of the casual labourer may raise are endless, and the Commissioners' powers, extraordinary and unprecedented as they are, will probably be taxed to the utmost.

Before concluding, may I refer shortly (in anticipation that none other of my colleagues in the preparation of this work will touch the subject) to the provisions of Sec. 11. The Act is called an Insurance Act. It compels payment of contributions by employer and employed ostensibly by way of premium against certain contingencies. In practice, it may turn out to be wholly illusory in effect. In the first place, as regards the trades to which Part II. (Unemployment Insurance) refers, all persons, whether regular or casual workers, contribute as do their employers, to both sickness and also unemployment funds. Yet, no insured person can have the benefit of both, though he may at the time be sick and also out of employment. He or she, and their employer, have paid for both benefits at the prescribed rate; yet they find themselves restricted to a single benefit only.

In like manner, by Sec. 11, the fund for which the employed person and his employer have paid, and it may be that they have contributed to both, is not to be resorted to in the event of injury to the worker for which he may be entitled to compensation by weekly payment under the Workmen's Compensation Act, or to a lump sum payment under the Employers' Liability Act, 1880, or what is still more unjust, if owing to the negligence of, say, the driver of a motor-car, or of a railway company's servants, he is injured, and posibly maimed for life, and recovers damages against the wrongdoer.

In the first of these cases, if the weekly allowance is equal to, or greater than sick benefit under this Act, then he gets no sick benefit; if less, then he only gets sick benefit proportionate to the difference. In the other cases, if the sum awarded will produce an annual sum equal to or greater than the sick or disablement benefit under this Act, then none is payable; while, if less, the difference is alone receivable by the injured man.

It is needless to point out that this ingenuity of the Chancellor is another instance of making the scheme pay its way; but it is a glaring instance of robbing Peter to pay Paul.

Peter has in each case been made to be thrifty and provide for

contingencies, and yet is deprived of that benefit by reason of other circumstances which, although affording some compensation, may not by any means be commensurate with the permanent injury done to him.

The law does not allow a wrongdoer sued for personal damage done to another to reduce his liability by reason of the other's thrift, and the damages to be awarded for the death or injury to a person caused by another's negligence, must not be the less, because there is a policy of insurance under which the injured man, or his relatives, are entitled to recover. It is different under the Act, and the workman finds that he has lost in such cases the value of his contribution.

NO STATE GUARANTEE OF BENEFITS.

The so-called "minimum" benefits.

By G. LOCKER-LAMPSON, M.P.

Mr. Lloyd George has spoken over and over again in the House of Commons and in the country of what he is pleased to describe as the "*minimum benefits*" under the Act. By the "minimum benefits" he means the ordinary benefits payable to insured persons who have made their full contributions. In other words, he promises certain benefits, and says that they are the *least* benefits obtainable under the Act by insured persons who have fully paid up their contributions; in fact, that, in any case, they will not get less than these benefits. Now Mr. Lloyd George has no right to call these benefits "minimum benefits," for the good reason that the expression is inaccurate and untrue. The Chancellor of the Exchequer has repeatedly complained that his Act has been misrepresented. Surely he ought to be all the more careful to paint his own Act as it really is, and not to raise hopes that in many cases will never be realised.

There is no such thing as "minimum benefits" under the Act. In many cases insured persons who have fully paid up their contributions will receive a great deal less than the so-called "minimum benefits" promised by Mr. Lloyd George. A glance at the Act will reveal this in a moment. So certain is it that many of the approved societies will experience deficiencies on valuation, that elaborate provisions have been made in Clause 38 for meeting and wiping out these deficiencies. That Clause directs that deficiencies shall be made good in various alternative ways, and two of those methods are a reduction of sick benefit or an increase of contributions. That is to say, in the event of a deficiency in any approved society, the sick benefit payable to the members may be reduced to the extent necessary to wipe out the deficiency. The Insurance Commissioners are to decide which of these alternatives is to be adopted, and there is not much doubt that in nearly every case they will insist that the benefits shall be reduced rather than that the contributions shall be increased. They will adopt this course for the following reason:—The Treasury is to pay two-ninths of the benefits. Therefore the more the benefits can be reduced, the more the Treasury will gain. It will gain nothing if the contributions are increased and the benefits remain the same, but it will gain a good deal if the benefits are reduced, as its proportion of the benefits remains the same. It will merely pay two-ninths of a smaller sum.

Two of the Insurance Commissioners are now Treasury officials, and one of them is to remain a Treasury official, so that it is more

than probable that the interests of the Treasury will be considered before the interests of the insured persons.

This being so, it is almost certain that many an insured person will pay his full contributions year by year, month by month, and week by week, and that in the end, when he falls ill, he will never get the full sick benefit that he paid for. His wages are to be intercepted by the State in order that his contribution shall be compulsorily withdrawn week after week, and yet through no fault of his own, merely because his Society may happen to be in deficiency through excess of sickness, the benefits, for which he has been forced to pay, will be denied him.

There is no State guarantee, but the following misleading statement was made by Mr. Lloyd George in his book, "The People's Insurance":—

> "My first principle is that every Friendly Society must be passed as sound before it can be guaranteed by the State. That is essential, otherwise the State might be in the position of defrauding its citizens." *Page* 141, *The People's Insurance Explained by the Chancellor of the Exchequer, the Right Hon. David Lloyd George, M.P.*

Now Mr. Lloyd George has carefully refrained from explaining this absence of guarantee both in the House of Commons and in the country. If he had stated in Whitefield's Tabernacle, for instance, that there was no State guarantee that the benefits would be paid, it would have been a great deal more honest, and possibly the Bill would have been less popular. During the Report Stage a Unionist member placed a new Clause on the paper providing that the Treasury should guarantee the benefits to compulsorily insured persons. This was the only practicable way of bringing the matter to the notice of the Government. Unfortunately they took no heed of it, and the Bill has now gone through with all the uncertainties of the future locked within it.

Invalidity Benefit.

Ever since the Bill was introduced and in all the discussions upon it in the country, it has been taken for granted that the disablement benefit of 5s. a week will be payable in future in respect of all insured persons who are unable through ill-health to "provide their own maintenance." It was only natural that this belief should have been held. Clause 8, until a few days before the third reading of the Bill, promised insured persons "Periodical payments whilst rendered *unfit to provide their own maintenance* by some specific disease or by bodily or mental disablement." This referred to sickness benefit. The Clause then continued: "In the case of the disease or disablement continuing after the determination of sickness benefit, periodical payments so long as so rendered *unfit* by the disease or disablement." This referred to disablement benefit of 5s. a week.

During practically the whole of May, June, July, August, September, October, and November the country believed that this most important disablement benefit of 5s. a week would be paid in the case of an insured person who was unable to provide his own maintenance. The Bill said so; Mr. Lloyd George got the credit of it; and many who would otherwise have been inclined to reject the scheme of the Bill

agreed to accept it on this account alone. What, after all, did it mean?

A man with a wife and family to support might be partially disabled. He might have to give up his ordinary employment, and instead of 20s. a week be only able to earn five or six shillings a week. He would quite clearly be unable to provide his own maintenance on that slender and insufficient sum. The State, however, was here to step in. It was to say to the man: "You are quite clearly unable to provide your own maintenance. You have a wife and family. You used to be earning a pound a week. You can now only pick up 5s. or 6s. Here is the 5s. disablement benefit promised under the Bill."

Unfortunately, however, this has all been changed at the last moment. Late in November or early in December Mr. Lloyd George put down an amendment to his own Bill and changed the words "unfit to provide their own maintenance" in the first place into "incapable of work," and the word "unfit" in the second place into "incapable of work." The result of this is that no insured person under the Act will be entitled to receive disablement benefit unless he is bedridden, totally crippled, or unable to earn a farthing piece.

It was not as though the attention of the Chancellor of the Exchequer was not drawn to the seriousness of his alteration. A Unionist amendment was immediately put down to Mr. Lloyd George's own amendment striking out the words "incapable of work" and substituting in their place the words "incapable of earning up to a third of their ordinary wages." This Unionist amendment would have had the effect of entitling an insured person to disablement benefit so long as he was not earning a third of his ordinary wages. No time, however, was allowed for its consideration. The guillotine fell: the Unionist suggestion was never reached, and the momentous alteration by the Chancellor of the Exchequer passed without discussion.

This is one of the harshest provisions in the whole Act. Not only will it press cruelly upon all those poor people who can only earn a few shillings a week, but it will discourage those who would like to earn a few shillings, but who know that, if they do so, they will lose the disablement benefit for which they have paid their hard-won pence in the past.

Did Mr. Lloyd George explain to his audience in Whitefield's Tabernacle that he intended to alter his scheme in this way at the last moment, when there would be no time for discussion? These are his words at the Tabernacle:

> "Supposing you break down at 35 or 40, and become a hopeless invalid? You will get your old-age pension to the end of your days, and free medical attendance."

How untrue! No man is disqualified for an old-age pension if he earns up to 8s. a week, but he cannot get any disablement benefit so long as he is capable of earning anything.

If he had stated the facts, his scheme might have lost a good deal of its popularity at the time, but fewer false hopes would have been raised and many disappointments would have been avoided.

POWERS OF THE INSURANCE COMMISSIONERS UNDER THE ACT.

By F. CASSEL, K.C., M.P.

There is perhaps no part of the scheme for National Health Insurance embodied in the Act which has created more apprehension in the public mind than the huge increase of officials and official salaries, and the large cost of administration which it will involve, and the great power which these officials will exercise over the lives and liberties of the people. It is undeniable that any system of compulsory national insurance would necessitate a certain amount of official control. But the enormous executive legislative and judicial powers conferred by this Act upon the Insurance Commissioners and their agents go much further than the necessities of the case warrant.

Constitution of the Commissioners.

There are to be four separate sets of Commissioners—one for England, with their head office in London; another for Scotland, with their head office in Edinburgh; another for Ireland, with their head office in Dublin; and yet another for Wales, with their head office in a place to be named by the Treasury. In addition, there is to be a Joint Committee of Commissioners which is to be constituted in accordance with regulations to be made by the Treasury.

In the Bill as originally framed there was to have been only one set of Commissioners, and separate Commissioners were only introduced at a late stage of the Bill, not so much at the instance of the Government as of members desirous of making a preliminary experiment in Federal Home Rule all round. In connection with the separation of Commissioners, there is also to be a separation of the funds of Approved Societies, so that each Society will have to keep separate accounts for its members in each of the four countries. This will lead to much inconvenience and expense, especially in the case of Societies having members who move frequently from one country to the other. A vigorous protest has been made by the Trade Unions against this separation of funds. The salaries of each set of Commissioners will be fixed by the Treasury. Each set of Commissioners may establish as many branch offices as they think fit, and appoint such Officers, Inspectors, Referees, and servants (subject only to the approval of the Treasury as to numbers) as they may determine, and such Officers, Inspectors, Referees, and servants are to be paid such remuneration as the Treasury may determine.

Judging by past experience, the Treasury under its present control cannot be looked to as any safeguard against the creation of an excessive number of new officials.

Costs of Administration.

The salaries of these new officials, as well as the cost of administration, so far as the Commissioners' work is concerned, and the cost of the cards and stamps, which are a necessary part of the machinery of the Act, will be defrayed out of the taxes. No estimate has been furnished to Parliament of the sums which are likely to be required for this purpose.

But it is to be noticed that these expenses will be in addition to the costs of administration of the Societies themselves and of the new Insurance Committees. The costs of the Societies and Committees will be paid out of the Insurance Fund, and according to the estimate of the Government actuaries are placed at 4s. a year for each insured person. Assuming that 15,000,000 persons are insured, this would amount to £3,000,000 per annum, in addition to the amount referred to above, directly payable out of the annual Parliamentary Votes, and in addition also to the expenses incurred by employers in connection with the stamping of cards.

Powers of the Commissioners.

It used to be a principle of the Constitution to keep the function of Parliament that is to make laws, of Government departments to administer laws, and of the Law Courts to interpret laws and decide disputes, so far as possible, distinct.

The principle of the present Act is to centre all these functions in the Insurance Commissioners.

It is not proposed within the limits of this short article to deal exhaustively with the powers of the Commissioners, but merely to call attention to a few of the judicial and legislative powers with which they are endowed by the Act.

Judicial Powers.

Among the judicial powers conferred upon the Commissioners, the following may be given as instances:—

(1) Under Section 15 (1) (b) the Commissioners have power to remove a doctor from the panel of those entitled to treat insured persons. Although not only his livelihood but his professional honour may be at stake, the doctor has absolutely no appeal from the decision of the Insurance Commissioners, not to the Courts, nor even to the General Medical Council, and the inquiry is to be held in such manner as the Commissioners themselves may prescribe.

(2) Under Section 15 (5) (b) the Insurance Commissioners may strike out any firm or company from the list of those entitled to supply drugs or medicines for insured persons. As it is estimated that there will be some 15,000,000 insured persons, the seriousness of such a decision may easily be realised. Yet there is no kind of appeal or redress in case of an erroneous decision.

(3) Under Section 29 the Insurance Commissioners may with-

draw their approval from any Society or branch of a Society, if, in their opinion, the Society has failed to comply with any of the provisions or requirements of the Act, or if the Society has been convicted of any offence under any Act whatever.

The result of withdrawing approval is that the Society or Branch will be unable to continue to carry on business under the Act. Yet there is no appeal, and in this case not even the formality of an inquiry is made obligatory.

(4) Under Section 47 an appeal is allowed to the Insurance Commissioners from the Insurance Committees on the question whether an employer is entitled to avail himself of that section, but although the question may involve difficult points of law, there is no appeal from the Insurance Commissioners to any legal tribunal.

(5) Under Section 63 very far-reaching judicial powers are conferred upon what is called in the section "a competent person" appointed by the Local Government Board.

If there is excessive sickness among insured persons, the Insurance Commissioners, or an Approved Society, or an Insurance Committee may apply for an inquiry, which is to be held by the competent person, and if he finds that the excess of sickness as defined by the section is due to the conditions or nature of the employment, he may order it to be made good by the employer. If, in his opinion, the excess is due to bad housing, or insanitary condition of the locality, or any neglect of the local authorities, he may order it to be made good either by the authority or the owner or occupier of the premises. The liability under this section may be extremely heavy. The questions both of fact and of law that will arise are likely to be extremely difficult and complicated. Yet the decision of the competent person, appointed by one Government department, on the application, it may be, of another set of Government officials, is to be absolutely final, without any appeal or recourse to any legal tribunal.

The Insurance Commissioners, who may themselves ask for such an inquiry, have also the power of making the regulations which are to govern its procedure.

(6) Under Section 66 any question as to the rate of contribution payable in respect of an employed contributor by the employer and the contributor respectively, are to be finally adjudicated upon by the Insurance Commissioners in accordance with regulations made by themselves.

(7) Under Section 67 all disputes between a Society and its members, and between Societies and their branches are to be determined in the first instance in accordance with the rules of the Society, but any party to the dispute is to be entitled to appeal to the Insurance Commissioners, whose decision is final.

Again, any disputes between an insured person and an Insurance Committee are to be adjudicated upon by the Insurance Commissioners in such manner as they themselves may prescribe.

Objection to Granting Judicial Powers to Officials

Judicial decisions by Government departments are unsatisfactory from many points of view. Such departments are apt to be swayed by extraneous or political considerations, of which there has been a notable example in the recent Swansea school case.

Again, a decision is often given upon reports of subordinate officials, which the parties to the dispute themselves have never seen, and there is apt to be great laxity in the admission of evidence when the case is tried before persons who have not had any legal training.

These objections apply with double force when, as in the case of the Insurance Commissioners, the officials have been appointed to represent special interests such as the medical profession, the Friendly Societies, or the Trade Unions.

Powers over Approved Societies.

The powers which are given to the Insurance Commissioners over the Societies, which are supposed to be self-governing, are very extensive.

The Commissioners can grant or refuse approval to Societies—they can object to any of their rules or alterations of rules—surpluses can only be dealt with and deficiencies made good in accordance with schemes approved by the Commissioners. If there is a deficiency, and a scheme is not approved by the Commissioners within six months, the Commissioners can take over the management of the affairs of the Society. They may prescribe how the books and accounts are to be kept, and have large powers in connection with the investment of the Societies' funds. Their consent is necessary to enable Societies with less than 5,000 members to form an Association under Section 39. The Insurance Commissioners have the power under Section 15, sub-section 6, to determine the amount which is to be paid by Societies for medical benefit, in default of agreement with the Insurance Committee. A branch cannot secede, and a Society cannot be dissolved without the sanction of the Commissioners. However, perhaps the most remarkable power given to the Commissioners is in connection with the meetings of the Societies. In the past the Friendly Societies have always been associated with the idea of a Club, and the members have attached importance to the social amenities connected with the meetings of the Society.

Under the Act the Commissioners have the power to make regulations as to the place in which meetings are to be held, and may even go so far as to order that such meetings shall in future be held in the somewhat dismal surroundings of a Labour Exchange (Section 27 (2)). Any Society failing to comply with such a regulation would be liable to have its approval withdrawn.

Legislative functions.

Turning next to some of the legislative functions conferred upon the Commissioners, we find a striking example in Section 1 (2), under which the Commissioners may, by special order, include within the operation of the Act persons who, by the terms of the Act, are specially excepted from it. On the other hand, they may also, by special order, exempt from the provisions of the Act persons who are specifically included within it. See First Schedule, sub-section (e) relating to outworkers, and (i) relating to subsidiary employments.

But perhaps the most remarkable instance of legislative powers conferred upon the Commissioners is contained in Section 78, which provides that the Commissioners, with the consent of the Treasury,

may, by order, do anything and everything which appears to them necessary or expedient for the purpose of bringing the Act into operation, even to the extent of modifying the provisions of the Act itself. Fortunately, by virtue of an amendment made in the Bill, the operation of this section has been limited until the 1st of January, 1914.

In a recent case a Judge of the Court of Appeal referred to the Courts of Law as the only bulwark of the liberties of the people against departmental aggression.

The growing tendency of modern legislation is to increase more and more the power of the official over the individual, and at the same time to diminish or take away the right of the individual to seek protection from official aggression in the Courts of the land; but it would be difficult to find a stronger example of this dangerous tendency than in the National Insurance Act, 1911.

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PRESS OPINIONS.

. . . The pamphlet is, of course, a political publication, and its principal or primary aim is apparently to record and explain the relation of the Unionist Party to the Act and to some of the many contentious points embodied in it. But it has also a general value quite apart from party politics. The summary of the Act is extremely well done, and, with the index, absurdly cheap at 1d. It may safely be said that of all the publications explanatory of the Act none is clearer, more comprehensive, or more accurate than this. It states the provisions in plain language, and forms an excellent handbook for the ordinary citizen. Those who wish to know how they stand under the Act cannot desire a better short guide. The supplementary chapters are partly explanatory, partly critical and polemical. . . .—"Times," January 9, 1912.

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To attempt to obtain something like a clear idea of the provisions of the Insurance Act from the interminable clauses of that monumental statute is a task before which the average man may well stand appalled. There are, however, a great many people who must perforce acquire a working knowledge of its contents, and these will be grateful for the admirable summary prepared by Mr. Worthington Evans, M.P., and published to-day by the National Conservative Union. No one is better qualified than the hon. member to undertake this duty. Mr. Lloyd George has repeatedly testified to his thorough grasp of the measure and the value of his help in improving it. The summary sets forth in plain and concise language the meaning of the numerous sections, and many brief explanatory notes are added showing wherein a provision differs from the original proposal; the important part played by Unionist members in moulding the Bill; and how the financial provisions will work out according to the Government actuaries—in short, it is a valuable compendium, not only of the contents of the Act itself, but of the results which may be expected to accrue from its operation. This last subject is developed to excellent purpose in a series of chapters appended to the summary, contributed by Unionist members who took an active part in the debates in Parliament. . . .—"Daily Telegraph," January 9, 1912.

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. . . The general summary of the Act and the index have been admirably compiled by Mr. Worthington Evans, M.P., who probably understands the measure better than those who drafted it and presented it to Parliament. The clauses have been stripped of unnecessary, and, to the layman, confusing legal phrases, and are presented with a strict regard to their actual meaning. And, whenever they are required, notes are added explaining the full scope and purpose of the clause, or telling what was done in the House of Commons by the Unionist Party, successfully or unsuccessfully, to amend its provisions. . . . Chapters containing explanations and comments on the various salient features of the Act are contributed by a number of Unionist members of Parliament who took a particularly active part in the parliamentary discussion of the measure, and who are distinguished for their wide and intimate and practical knowledge of the Act and of the problems with which it is connected. All these contributions are of great interest and value. . . We cannot speak too highly of this admirable and opportune production; it will be invaluable to the public. . . . Speakers who have to address public meetings on the Act will be unable to do without it. The work reflects immense credit upon its compilers. . . . —"Standard," January 10, 1912.

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Practically every man and woman in the country is affected by the Insurance Bill, but its enactments are so complex that it is certainly not generally understood of the people. An exhaustive penny handbook published by the National Conservative Union and prepared by Mr. Worthington Evans, M.P., should, therefore, have a wide sale, and must be of immense service. . . .—"Daily Express," January 9, 1912.

. . . Its main contents are a very full summary, by Mr. Worthington Evans, M.P., of the Act, and a series of papers, written by Unionist members who took an active part in such discussion as was allowed in the House of Commons on various aspects of the Government's proposals. . . . Mr. Amery's article on the financial aspect of the Act is particularly trenchant. . . . Mr. Worthington Evans's criticisms of the provisions respecting the deposit contributor are also very striking. . . . Space will not admit of detailed reference to the other articles, but there is not one of them which will fail to interest those who wish to understand not only what the Act does, but where, at the earliest opportunity, it will have to be amended.—"Morning Post," January 9, 1912.

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Remarkably vigorous and crushing criticism of "The National Insurance Act" is contained in a booklet published to-day under this title by the National Conservative Union. . . . Everyone who wishes to understand the Act should read Mr. Worthington Evans's complete summary contained in this book and the contributions by Mr. L. S. Amery, Mr. F. Cassel, Mr. Herbert Nield, Mr. G. Locker-Lampson, Mr. Charles Bathurst, and the other members of the Unionist Party whose destructive criticisms are appended to the summary. . . . "Daily Mail," January 9, 1912.

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. . . No member of Parliament is entitled to speak with more authority on the Bill than Mr. Worthington Evans, and to the ordinary reader his detailed summary will prove far more enlightening than the Act itself. . . .The value of Mr. Worthington Evans' work is greatly enhanced by the notes he has appended to many of the clauses, clearing up difficulties, and in some cases giving advice to those who are offered alternative courses under the Act. In addition to this valuable piece of work, the booklet contains a series of articles by members of the Unionist Party on various aspects of the Act. These are of special importance. . . .—"Scotsman," January 9, 1912.

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From the offices of the National Conservative Union there will be published to-day a most excellent pamphlet explanatory of the National Insurance Act. It extends to 150 pages, and has been prepared with great care by Mr. Worthington Evans, M.P., than whom there exists no greater authority on the subject, and the cost is only a penny. The object has been to meet the case of those who wish to have some knowledge of the contents and meaning rather than of the actual legal phraseology of the Act. In addition to the summary, which, with notes, covers 80 pages, there are chapters written by men who took an active part in the debates in the House of Commons, in which is given more detailed information respecting the questions dealt with. . . .—"Aberdeen Journal," January 9, 1912.

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. . . Exactly one-half is devoted to an intelligible summary, free from legal phraseology, of the provisions of the Act, with explanatory notes, just such a summary as "the man in the street" has been looking for to help him through the mazes of the Act. The second portion of the work consists of a series of useful explanatory chapters. . . .—"Glasgow Evening Citizen," January 9, 1912.

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. . . The work is thoroughly well done, each clause being clearly explained, and a full index is provided to facilitate reference. . . .—"Belfast News Letter," January 11, 1912.

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. . . A publication which should be of invaluable service to all who desire to understand the intricacies of the Insurance Act. . . . The pamphlet . . . includes the text of the Act, with its 115 clauses and nine schedules; a summary, by Mr. Worthington Evans, M.P., giving the effect of the Act in non-legal language; and a series of explanatory articles, dealing with various salient features of the Act, written by members of the Unionist Party in the House of Commons who have taken a specially close interest in the subjects of which they treat. . . . The pamphlet is a perfect mine of information, admirably arranged and clearly explained, and as it is published at the nominal price of one penny, it should command a very wide circulation indeed. The National Conservative Union are to be congratulated on a task so opportunely initiated and so capably carried out.—"Liverpool Courier," January 9, 1912.

. . . Mr. L. Worthington Evans publishes to-day, under the auspices of the National Conservative Union, a most able summary of the Act, to which he has written careful explanatory notes. His efforts are seconded by such able authorities as Mr. L. C. M. S. Amery, Mr. G. Locker-Lampson, Mr. F. Cassel, K.C., Mr. Herbert Nield, and other members of Parliament. The whole series is comprised in a pamphlet of some hundred and fifty odd pages. . . . Mr. Worthington Evans's work may be regarded as an authoritative and competent exposition of the whole of the Unionist point of view with regard to the Act. . . .—"Manchester Courier," January 9, 1912.

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. . . A very valuable summary with explanatory notes has been furnished by Mr. Worthington Evans, whose knowledge of the subject wrung compliments from Mr. Lloyd George. The summary shows at once what the Act does and does not do, while indicating points of improvement for which Unionist pressure was refused. Unionist additions and amendments to an Act which was materially and fundamentally changed during its progress through Parliament are also clearly indicated. The rest of this pamphlet is mainly composed of articles on special points in the scheme, by members who specially devoted their attention to the parts of the Act on which they write. . . . The booklet should be in the hands of everyone who desires to understand the principles and the provisions of this important measure.—"Sheffield Daily Telegraph," January 9, 1912.

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The National Conservative Union have published an excellent pamphlet on the National Insurance Act. An illustration—in the cold, intellectual form of a diagram, in sharp contrast with the sentimental covers of volumes on the same subject emanating from the Radical side—points a moral which has been drawn by even some Liberals recently; that many "Acts" of Parliament nowadays have hardly a courtesy claim to be called Acts at all. . . . The pamphlet begins with an excellent summary of the Act by Mr. Worthington Evans, M.P., "prepared for those who wish to have some knowledge of the contents and meaning rather than the actual legal phraseology of the Act." This method of dealing with the text is most valuable. . . . After Mr. Worthington Evans's concise and lucid summary we get, as already mentioned, a valuable series of papers, all of them very brief, on various aspects of the Bill. These are by experts, who, as members of the Unionist Committee which analysed "the Bill" and considered it in all its phases, have each given special attention to the phase with which they deal in this pamphlet. . . .—"Yorkshire Post," January 9, 1912.

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. . . The notes to the various clauses of the Act are crisp, clear, and to the point, and will be found of the utmost service by anyone desirous of getting a grasp of their bearing and effect. But the greatest value of the book lies in the explanatory chapters which have been written by those members of Parliament who took an active part in the debates and in the work of research which led to the disclosure of the grave defects of the measure. . . .—"Yorkshire Herald," January 10, 1912.

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. . . So far as the Act is capable of explanation we have it explained, and for this relief "much thanks." Mr. Worthington Evans, who played a leading part in the debate from the Unionist side, is responsible for the summary, with elucidatory notes, and when this has been carefully perused, most people will be able to say that they know a good deal, if not everything, about the Insurance Act. They will also be acquainted with some of the useful amendments which were moved from the Unionist benches, and be able to refute the gross misrepresentation that the party has opposed the best interests of the workers and fought the battle of the capitalists. The first half of the pamphlet is devoted to the explanation of the Act, the second part to the attitude of the Unionist Party and a detailed discussion of the position of certain important classes of workers under it. These are contributed by Unionist members who took an active part in the attempt to improve the Bill, and should be read by all who may have to meet Radical misrepresentation. . . .—"Leicester Mail," January 9, 1912

. . . It is of first importance that there should be a concise, careful analysis of its details—if possible, with explanatory chapters on certain obscure and disputed points. Such an analysis is now provided by the National Conservative Union for the ridiculous sum of one penny. . . . It contains, in the first place, a concise summary of the Bill itself—drawn up by Mr. Worthington Evans. . . . Chapters are written by recognised experts; and all are entirely free from party bias. Apart from anything else, the official attitude of the Unionist Party ensures that this publication contains nothing but fair, open, and moderate criticism. In a word, it is a book which every man who wishes to understand the Act simply must have. The writing is clear and easy to understand, and a judicious use of different types makes it easy to follow both the Act itself and the arguments of its critics. . . .—"Birmingham Gazette," January 9, 1912.

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. . . Out of its hundred and fifty pages, about half are taken up by a clear, compact, yet thoroughly adequate summary of the Act, with critical and explanatory notes which go a long way towards removing probable difficulties of interpretation. For this part of the work Mr. Worthington Evans is responsible. Further explanatory chapters are contributed by numerous Unionist members who took a leading part either in the House of Commons debates or in the work of research and enquiry upon which Unionist criticisms of the Bill were based. . . .—"Birmingham Post," January 9, 1912.

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The National Insurance Act is subjected to a very severe critical review in a booklet published by the National Conservative Union. The booklet contains a summary of the Act by Mr. L. Worthington Evans, M.P., a history of its progress through Parliament, and a number of articles dealing with its effect upon friendly societies, doctors, and various beneficiary classes, and upon industry generally. A very outspoken condemnation of the finance of the Act, which, he says, is "rotten through and through," is contributed by Mr. L. S. Amery, M.P. . . .—"Birmingham Mail," January 9, 1912.

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To-day is published by the National Conservative Union a handy guide to the National Insurance Act, which we are of opinion will be of considerable use to every one of our readers who is in any way interested in the new Act. . . .—"Midland Evening News," January 9, 1912.

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. . . Mr. Worthington Evans, M.P., who has made himself a master of the Act and its intricacies, has prepared a valuable "Summary" of the measure. He condenses its clauses into common-sense, non-legal language, and in pointed "Notes" exposes how far it falls short of justice and completeness. Over and over again he has to add the tell-tale Note: "This clause was not discussed in Committee or on Report owing to the Government Closure." The same glaring fact "hits one in the eye" on glancing at the cover. A diagram, divided into little compartments for each clause and schedule, shows shaded spaces for those clauses not discussed on Report and black spaces for those not discussed in Committee. The result is that about seven-eighths of the whole diagram space is shaded or black, and only about one-eighth clear, to indicate due discussion. Mr. Evans's notes show again and again that, defective as the Act is, it would have been worse still but for Unionist amendments forced on its author. . . . Besides Mr. Evans's general criticisms there are searching separate articles c the finance of the Act, the position of friendly societies, agriculturists, wome clerks, domestic servants, casual labourers, and so on, contributed by oth Unionist M.P.'s associated with Mr. Worthington Evans. All are worth readin . . . —"Bristol Times and Mirror," January 9, 1912.

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. . . It gives a comprehensive survey of the general features of the A with much clearness and complete impartiality. Articles are written b members of Parliament who have carefully studied the clauses in their origin shape, and also while they were being fashioned by the mallets and chisels the Unionist representatives in the House of Commons. . . .—"Western Mornin News," January 9, 1912.

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